

A TEXAS EASTERN COMPANY

State of Utah Division of Oil, Gas, & Mining 421 State Office Building Salt Lake City, Utah 84114 December 19 +983

DIVISION OF L. GAS & MINING

Re Application for Permit to Drill
Spur #1-34
SW SE Sec. 1, T. 37 S., R. 23 E.,
San Juan County, Utah

Gentlemen:

Attached please find in triplicate the above-referenced APD. Also attached is a copy of the approved Temporary Water Appropriation to be utilized for this well.

If you have any further questions, please advise.

Sincerely,

Michael D. Anderson,

Staff Engineer

Enclosures

#### STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING

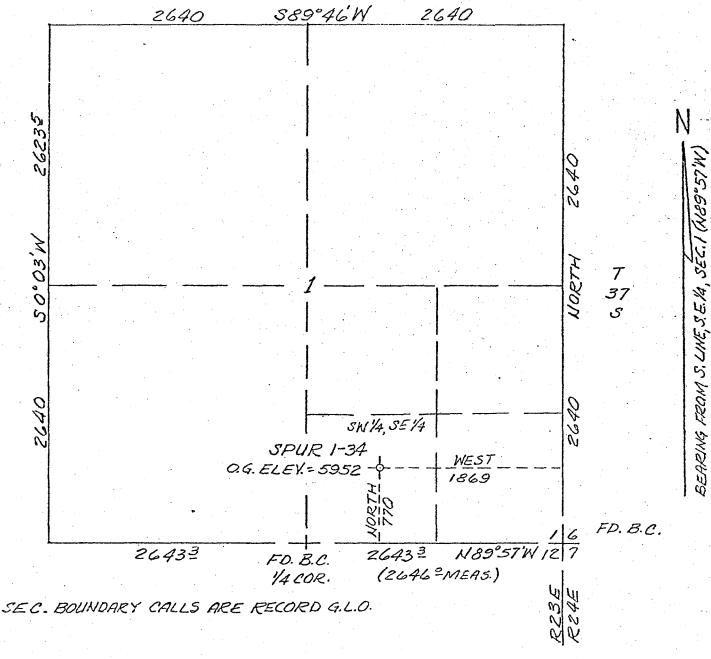


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reverse side)	

5. Lease Designation and Serial No. U-24614

APPLICATION	Y FOR PERMIT T	O DRILL, DEEPE	N, OR PLUG B	ACK 6. If Indian, Allottes or Tribe Name
	ILL 🛛	DEEPEN [	PLUG BAG	CK 7. Unit Agreement Name
b. Type of Weil Oil Well   2. Name of Operator	Gas Other		Single Mult Zone Zone	s. Farm or Lease Name SPUR
	YLINE OIL COMPA	ANY		9. Well No.
C. Address of Operator				
	sity Club Buil			84111 10. Field and Pool, or Wildese Wildcat
An anton	port location clearly and in FSL and 1869			· · · · · · · · · · · · · · · · · · ·
At proposed prod. zor		EET (OM DE) DE	R. 23 F	and Survey or Area
14. Distance in miles an	d direction from nearest tov	en or post office*		12. County or Parrish 13. State
8 mile	s east-southea	st of Blanding	, Utah	San Juan Utah
15. Distance from propolocation to nearest property or lease lin fAlso to nearest drig	e. it. 770¹	16. No	639	17. No. of acres assigned to this well 80
15. Distance from propo to nearest well, drill or applied for, on th	ing. completed. N.A.	19. Pr	oposed depth 6500'W	20. Rotary or cable tools Rotary
21. Elevations (Show wh				22. Approx. date work will start*
23.	L-5950'	·		Jan. 15, 1984
		PROPOSED CASING AND	CEMENTING PROGRAM	
Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
16"	13-3/18"	<u>48#</u>	30'	Redi-Mix
12½'' 8-3/4''	<u>9-5/8''</u> 7''	36# 20-28#	2250' 6500'	950 sx (Circ. to Surf 700 sx.
Subjec	e Oil Company : t lease is Fed tached Federal	eral. Lease N	No. U-24614	
				DEC 20 1983
				DIVISION OF L. GAS & MINING
ductive zone. If propose preventer program, if an	al is to drill or deepen direc			ta on present productive zone and proposed new and measured and true vertical depths. Give blo
51:nev 114/14/14	PM Contern	Title	Staff Engineer	Date DEC 19, 198
(This space for Fede	ral or State office use)			
Permii No		***************************************	Approval Date	<u> </u>
				/'\ a^*
Approved by	al. if any:	Title		Date
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CHKD. BYDATE	JOB NO
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DIVISION OF OIL, GAS & MINING WELL LOCATION PLAT OF

SPUR 1-34 IN

SW 14 5E 14, SEC.I, T375, R23E, SL.M.

SAN JUAN COUNTY, LITAH

TRANSIT & E.D.M. SURVEY

FOR: SKYLINE OIL COMPANY

SCALE: 1"=1000' SEPT. 2,1983

ELEY. BY VER.ANGLES FROM U.S.G.S. TOPO. QUAD. BLANDING, UTAH." 1957 (S.E.COR, SEC. 1=6000)

## SUBMIT IN T (Other instruction reverse side)

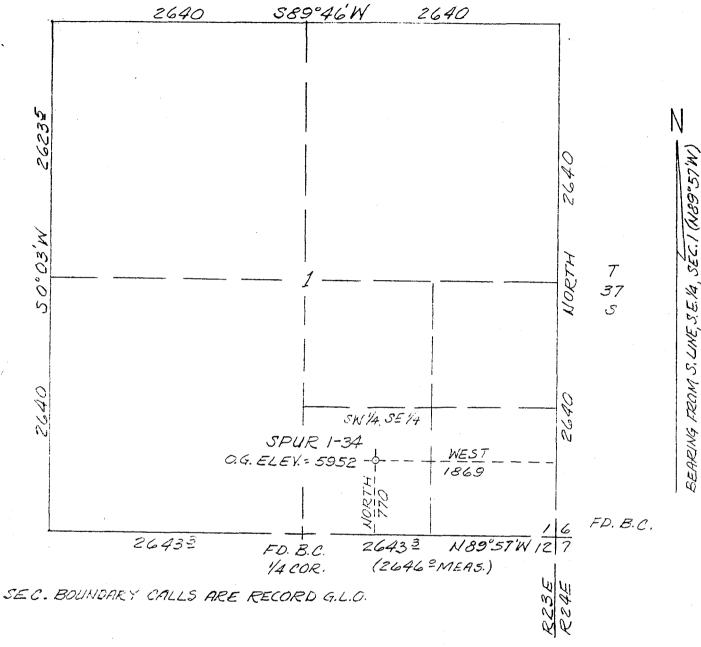
Form approved.

# UNITED STATES DEPARTMENT OF THE INTERIOR


GEOLOGICAL SURVEY						U-24614	
APPLICATIO	N FOR PERMIT	O DRILL, I	DEEPE	N, OR PL	UG B	ACK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. TYPE OF WORK							7. UNIT AGREEMENT NAME
b. TYPE OF WELL	RILL X	DEEPEN			G BAC		1. COM AUGGERAL NAME
WELL [X]	WELL OTHER			NGLE	MULTIPE ZONE	K 3.	S. FARM OR LEASE NAME
2. NAME OF OPERATOR	SKYLINE OIL	COMD A MIXZ		-		•	
							9. WELL NO.
2000 Univers	sity Club Buil	ding. Sal	t La	ka City	उत्तरं €	)/111	SPUR #1-34  10. FIELD AND POOL, OR WILDCAT
LOCATION OF WELL ()	Report location clearly and	in accordance wit	th any S	tate requiremen	ts.*)	4111	Wildcat
A+ cuefaca	SL, 1869'/EL			_			11. SEC., T., B., M., OR BLE.
At proposed prod. zo		(DW4DE4),	sec	. 1, 13/	S-R23	SE, SLM	Sec.1, T37S-R23E.,S
14. DISTANCE IN MILES	AND DIRECTION FROM NEA	REST TOWN OR POS	T OFFICE	E.	· · · · · · · · · · · · · · · · · · ·		12. COUNTY OR PARISH   13. STATE
8 miles Ea	st-Southeast	of Blandi	nσ	II+ah			San Juan Utah
15. DISTANCE FROM PRO	POSED*		16. NO	OF ACRES IN I	EASE		OF ACRES ASSIGNED
LOCATION TO NEARE: PROPERTY OF LEASE (Also to peacest de		•	<b>i</b>	639.00		TOT	HIS WELL
18. DISTANCE FROM PRO	POSED LOCATION®	NT A	19. PR	OPOSED DEPTH		20. ROTA	RY OR CABLE TOOLS
OR APPLIED FOR, ON T	DRILLING, COMPLETED, HIS LEASE, FT.	N.A.		6500'	•*		Rotary
21. ELEVATIONS (Show w	hether DF, RT, GR, etc.)						22. APPROX. DATE WORK WILL START*
		5950 <b>'</b>				·	115 October 1983
23.		PROPOSED CAST	NG ANI	CEMENTING	PROGRA	м .	:
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F	OOT	SETTING DE	PTH		QUANTITY OF CEMENT
16''	13-3/8"	48#		30'		Ređi	Mix
12½''	9-5/8''	36#		2250'		950	sx (Circ. to surface
8-3/4"	7''	20#-26#		6550'		700	
Evanstad Fa							
Expected Fo	rmation Tops:						
Entrada	: 1270'	•		Hermosa		•	4820'
	1470'			Ismay:			6160'
Wingate	: 1930'			Desert	Cree	k:	6400'
Chinle:	2220'			Skah Sl			6510'
Cutler:	3150'						
Mud Program	- See Attach	ment A			•		TREMWISH
D1 07-0		-		•			Co V CINI
prowout Pre	vention Progra	am - See A	Atta	chment A			
						<u> </u>	0 10 f30)
IN ABOVE SPACE DESCRIP zone. If proposal is to preventer program, if a	o drill or deepen direction	proposal is to dee ally, give pertinen	pen or p t data (	olug back, give d on subsurface loc	ata on pr cations an	esent prod d measure	ductive same and proposed new productive dand the blow out to
24. signed <u>M/4/1</u>	hael D and	lesson TI	TLE 5	taff E	ngın	eer	DATE Sept. 14, 198:
(This space for Fed	deral or State office use)						
PERMIT No.			·····	APPROVAL DATE			
	ames J. Travis	Tr	TLE	cting Dis	trict	Manage	PATE 12/14/83
CONDITIONS OF APPRO		TACHED				•	
CAIDITIONS OF	E APPROVAL AT	MODED				EI AS	RING OR VENTING OF

COUDITIONS OF

GAS IS SUBJECT OF NTL 4-A **DATED 1/1/80** 



WELL LOCATION PLAT OF SPUR 1-34 IN SW 14 SE 14, SEC.1, T375, R23E, SL.M. SAN JUAN COUNTY, LITAH TRANSIT & E.D.M. SURVEY FOR: SKYLINE OIL COMPANY SCALE: 1"=1000' SEPT. 2, 1983

ELEY. BY VER. ANGLES FROM U.S.G.S. TOPO. QUAD. "BLANDING, UTAH." 1957 (S.E. COR, SEC. 1=6000)



#### CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company_	Skyline Oil Company		Well No	SPUR #1-34
Location	T. 37 S., R. 23 E.	Sec. 1	Lease No.	U-24614

# A COPY OF THESE CONDITIONS SHOULD BE FURNISHED YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (30 CFR 221), and the approved plan of operations. The operator is considered fully responsible for the actions of his subcontractors. The following items are emphasized:

- 1. There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling producing, suspended, or abandoned shall be identified in accordance with 30 CFR 221.22. Any changes in operations must have prior approval of this office. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report.
- 2. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished this office for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.
- 3. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of this office. If operations are to be suspended, prior approval of this office must be obtained and notification given before resumption of operations.

In the event abandonment of the hole is desired, an oral request may be granted by this office, but must be timely followed within 15 days with a "Notice of Intention to Abandon" (Form 9-331). Unless the plugging is to take place immediately upon receipt of oral approval, the District Manager must be notified at least 48 hours in advance of the plugging of the well in order that a representative may witness plugging operation. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form 9-331) must be submitted within 15 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a follow-up report on form 9-331 should be filed when all surface restoration has been completed and the location is considered ready for final inspection.

The spud date will be reported orally to the respective District Manager's office within 48 hours after spudding. If the spudding occurs on a weekend or holiday, wait until the following regular workday to make this report.

Periodic drilling progress reports must be filed directly with the District Manager's office on a frequency and form or method as may be acceptable to the District Manager.

In accordance with NTL-1, this well must be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed, in duplicate, directly with Royalty Management Accounting Center, Minerals Management Service, P. O. Box 2859, Casper, Wyoming 82602.

Any change in the program must be approved by the District Manager. "Sundry Notices and Reports on Wells" (form 9-331) must be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alteration of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground will require the filing of a suitable plan pursuant to NTL-6, and prior approval by the District Manager.

- 5. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (form 9-330) will be submitted not later than 15 days after completion of the well or after completion of operations being performed, in accordance with 30 CFR 221.59. Two copies of all logs run, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and complied during the drilling, workover, and/or completion operations, will be filed with form 9-330. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by this office.
- 6. Significant surface values (are) (are not) involved at this location.

  Accordingly, you (must) (need not) notify at least (24) (48) hours prior to commencing field operations to allow this office to have personnel present for consultation during the construction of roads and locations.

Your contact with	h the District	Office is: L	ynn Jackson	
Office Phone:	801-259-6111	Ext 248	Home Phone:	
City:	Moab		State: Utah	
Resource Area Manager's Address and contacts are:				
Address: 480 South First West, P.O. Box 7, Monticello, Utah 84535				
Your contact is:	Brian Wood			
Office Phone:	801-587-2201		Home Phone:	801-587-2087

#### SURFACE OPERATING STANDARDS

Unless otherwise specified herein, construction and maintenance of surface facilities approved under this plan shall be in accordance with the guidelines set forth in the BLM/FS/GS Oil and Gas Brochure entitle, "Surface Operating Standards for Oil and Gas Exploration and Development". This includes but is not limited to such items as road construction and maintenance, handling of top soil and rehabilitation.

- 8. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect must be filed, for prior approval of the District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- 9. Pursuant to NTL-2B requirements regarding disposal facilities for new wells, this is authorization for unlined pit disposal of the water produced from this well for a period of 90 days from the date of initial production for sales purposes. During this period, an application for approval of the permanent disposal method, along with the required water analysis and other information must be submitted for the District Manager's approval. Failure to timely file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order until the application is submitted.
- 10. This permit is valid for a period of one year from the date of approval. If construction does not commence within 90 days from approval, the operator must contact this office 15 days prior to beginning construction. Construction under adverse conditions may require additional stipulations. If the permit terminates, any surface disturbance created under the application must be rehabilitated in accordance with the approved plan. After termination, it is required that a new application be filed for approval for any future operations.
- 11. If a tank battery is constructed on this lease, it must be surrounded by a fire wall of sufficient capacity to adequately contain the storage capacity of the battery.
- 12. This Application for Permit to Drill is approved subject to the requirement that, should the well be successfully completed for production, this office must be notified when it is placed in a producing status. Such notification will be by telegram or other written communication, and must be received in this office by not later than the first business day next following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address and telephone number.
  - b. Well name and number.
  - c. Well location (1/4, 1/4, Section, Township, Range and Prime Meridian).
  - d. Date was placed in a producing status.
  - e. The nature of the well's production, i.e. crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.

- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e. State or private.
- g. If appropriate, the unit agreement name, number and participating area name.

h.	If	appropriate,	the	communitization	agreement	number.

3.	•	•

SUPPLEMENTAL STIPULATIONS OF APPROVAL ATTACHED

## ADDITIO STIPULATIONS, FOR PRODUCTION CILITIES

Your Application for Permit to Drill also included a submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs must be housed and/or fenced.
  - (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes, but is not limited to, such items as road construction and maintenance, handling of top soil and rehabilitation.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.

#### ATTACHMENT A

SKYLINE OIL COMPANY
WILDCAT OIL WELL
SPUR #1-34
SW\2SE\2 Section 1, T. 37 S., R. 23 E.,
San Juan County, Utah

1. The Geologic Name of the Surface Formation

Dakota Formation (lower Cretaceous)

DEC 2.0 1983

2.	Estimated T	Cops of	Important	Geologic	Markers:	DIVISION OF
		Eı	itrada		1,240'	OIL, GAS & MINING
		Na	avajo		1,440'	
			ninle	•	2,190'	
		Is	smay		6.130'	
		De	esert Creek	<b>C</b>	6,370'	
		. A1	cah Shale		6 4801	

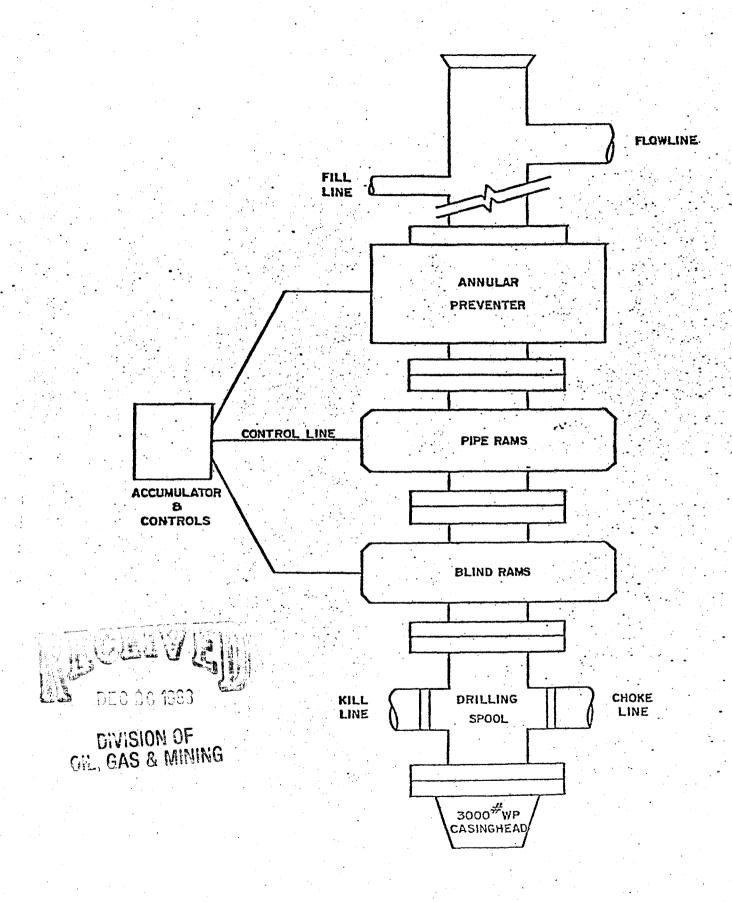
- 3. Water sands will be protected behind the surface pipe set at 2250'. Prospective oil producing formations are the Ismay and Desert Creek.
- 4. Proposed Casing Program:

<u>Hole Size</u>	Csg. Size	& Weight	Cond.	Setting Depth	Cement
(in.)	(in.)	(lbs/ft.)		(ft.)	
16" 12½" 8-3/4"	13-3/8" 9-5/8" 7"	48 36 20# - 26#	New New New	30' 2250' 6500'	Redi-mix 950 sx 700 sx

Actual cement volumes will be determined by caliper log plus adequate excess.

### 5. Pressure Control Equipment:

Pressure control equipment will consist of a 10" 3000 psi W.P. double gate hydraulic BOP and a 10" 2000 psi W.P. Hydrill above 10" 3000 psi W.P. casing head with screwed outlets. See schematic drawings of BOP assembly and choke manifold. We will wait on cement 12 hours, nipple up BOP assembly, and test to 2000 psi (Hydril to 1000 psi) and drill surface casing after 24 hours WOC. Pipe ram operation will be checked daily and blind rams operated when pipe is removed from hole on trips.



BLOWOUT PREVENTER SCHEMATIC
3000 psi WORKING PRESSURE

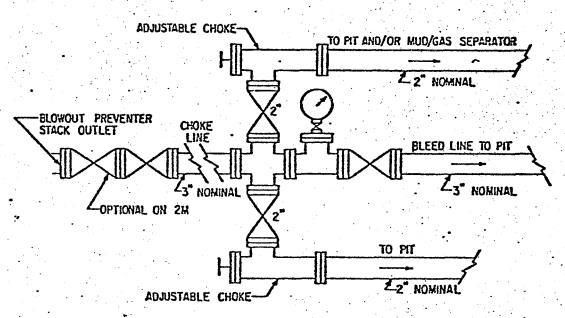
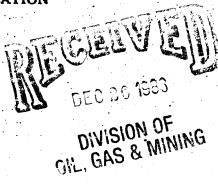


FIG. 3.A.1

TYPICAL CHOKE MANIFOLD ASSEMBLY FOR 2M AND 3M RATED WORKING PRESSURE SERVICE — SURFACE INSTALLATION



#### 6. Drilling Mud Program:

Interval	Program
0 - 2250'	Fresh water with gel required to maintain viscosity at 28-32 sec.
2200 - 4000'	Fresh water, low solids & lightly dispersed MW: 8.8-9.0 Vis: 32-38 WL: 10-15
4000 - 6500'	Fresh water, low solids & lightly dispersed MW: 8.8-9.0 Vis: 36-40 WL: 10

#### 7. Auxiliary Equipment:

Auxiliary equipment to be used will consist of a Kelly cock and a full-opening drillpipe valve sub in open position on the floor at all times. A bit float will not be utilized unless conditions dictate.

#### 8. Testing, Coring and Logging Program:

Two drillstem tests are possible--one each in the Ismay and Desert Creek Formations.

30' to 90' of core in Ismay if warranted 30' to 60' of core in Desert Creek if warranted

The following logs will be run:

Dual Induction Log TD to bottom of surface pipe GR-FDC-CNL-Cal \* TD to bottom of surface pipe GR-Sonic TD to surface

\*GR will be run to surface.

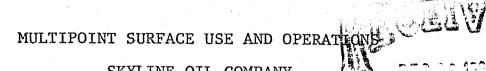
## 9. Anticipated Abnormal Pressures, Temperatures & Potential Hazards:

No abnormal pressures, temperatures or hazards are anticipated.

10. It is anticipated that drilling operations will commence on or about 15 October, 1983, with approximately 20 days of drilling to reach T.D. Completion operations will require an additional 30 - 45 days.



DIVISION OF OIL, GAS & MINING



#### SKYLINE OIL COMPANY

DIVISION OF SPUR #1-34 SW\(\frac{1}{2}\) Section 1, T. 37 S., R. 23 E., GAS & MINING

#### Existing Roads - Exhibit "A"

The attached Exhibit "A" shows the well site as staked and its position relative to existing roads, planned access road, and topography.

All existing roads are shown on Exhibit "A".

All county roads are maintained and are all-weather roads.

The San Juan County Road Department (801-587-2231, ext. 43) will be contacted before county roads are used.

No maintenance or improvements to existing county roads are planned. Grading will be done if necessary.

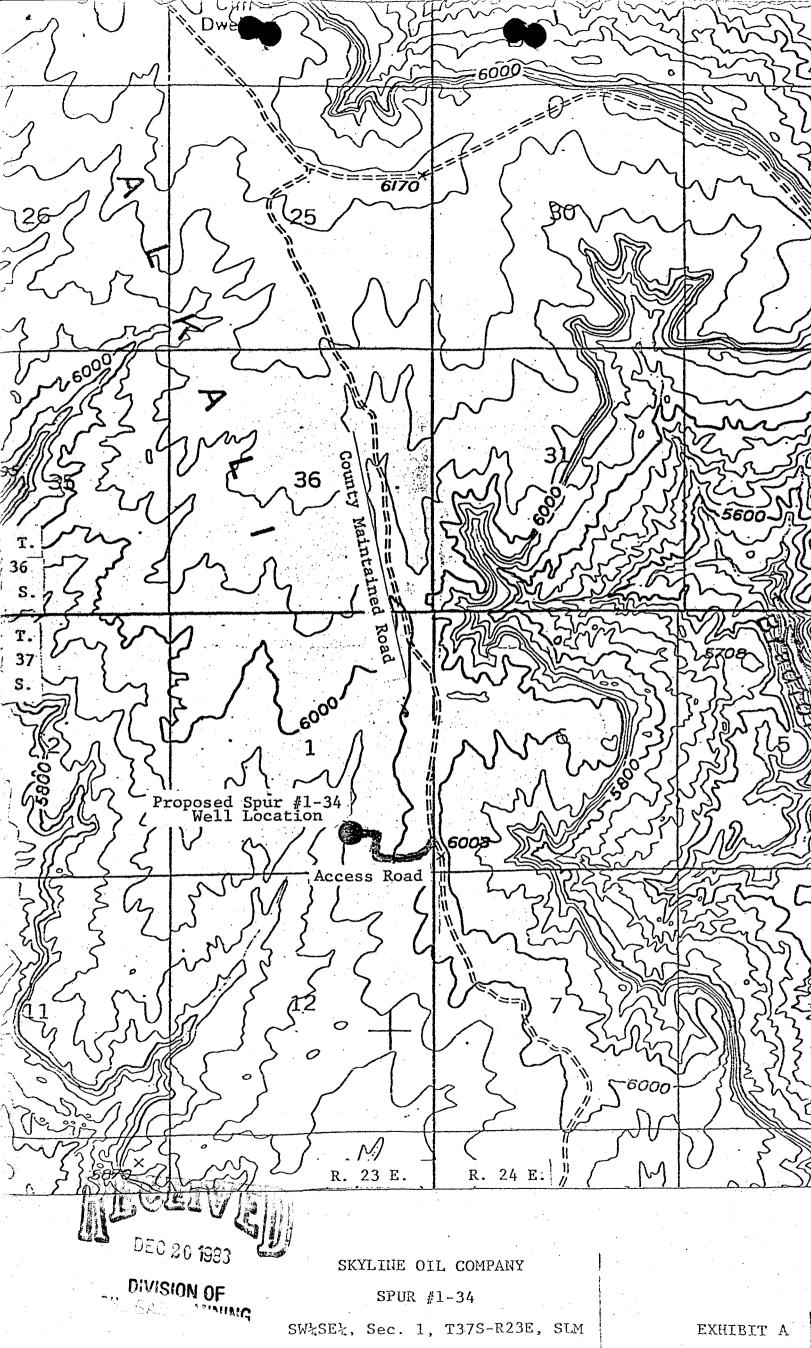
#### 2. Planned Access Road:

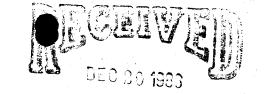
The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah, (801) 587-2201), 48 hours before beginning any work on public land.

The attached Exhibit "A" shows the planned access road in red. The existing service road and the Access Road will be improved as necessary. The Access Road will be 20' wide and approximately 2,000' long. No cattle guards will be re-Culverts will be installed where required. Improvement to existing access will be necessary and will be limited to a total disturbed width of 20 feet. New construction will be limited to a total disturbed width of 20 feet. Surfacing material will not be placed on the road or location without prior BLM approval. If a permanent road is required, surface will be elevated, crowned, ditched and drainage installed as needed. Surfacing material will be gravel obtained through commercial sources.

The operator will give the dirt contractor a copy of the Surface Use Plan and any additional BLM stipulations before any work.

If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All employees





working in the area will be informed by the direct That they are subject to prosecution for disturbing and the of MANING tes or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

### 3. Location of Existing Wells:

No existing wells are within a two-mile radius of the proposed location.

### 4. Location of Existing and/or Proposed Facilities - Exhibit "B"

The proposed production facilities layout is shown on attached Exhibit "B" at a 1" = 50' scale. All production equipment, production pit and burn pit will be fenced. Two 500 barrel production tanks will be inside a 50' x 30' x 4.5' earthen retaining wall to prevent contamination in the unlikely event of a tank rupture. All flowlines will be buried and have working pressures exceeding the highest pressure anticipated for their use.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

All above-ground production facilities will be painted a neutral color to be approved by the BLM. -- Juniper Green

The access will be upgraded to BLM Class III road specifications.

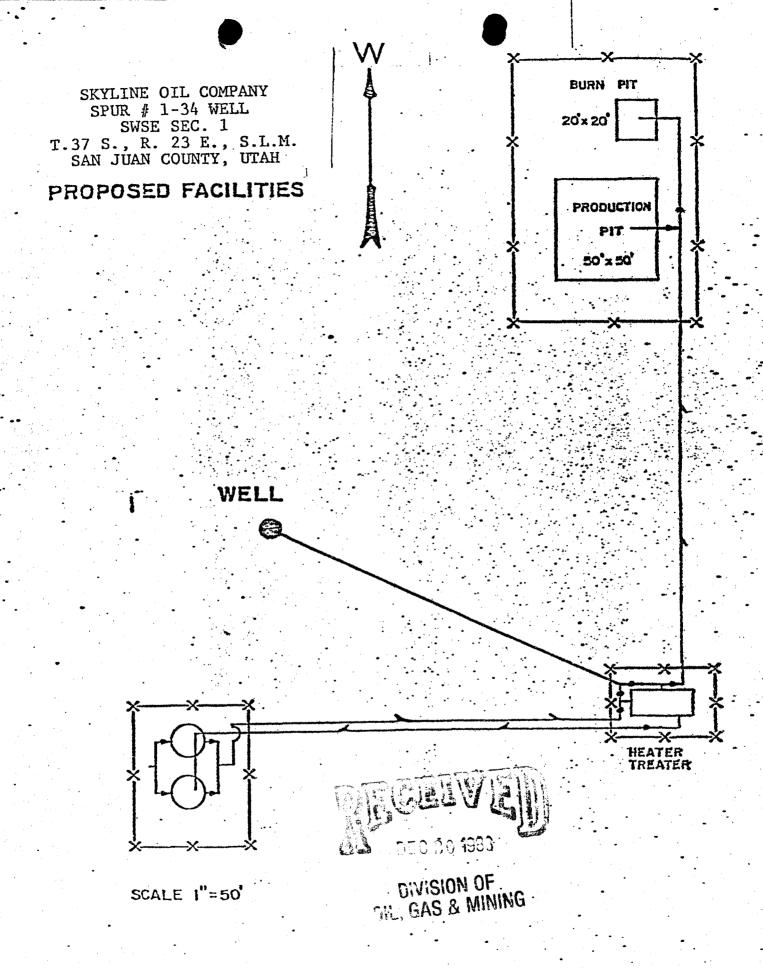
### 5. Location and Type of Water Supply:

Water used for drilling and completion operations will be obtained from Recapture Creek 4 miles north of Blanding, Utah.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface managing agency to use the land containing the water source.

### 6. Source of Construction Materials:

No construction materials not available at the drill site or along the access route will be required during drilling



operations other than gravel. Gravel will be purchased through the surface contractor.

No access roads other than that leading from the county road to the drill site as shown on Exhibit "A" will be required.

## 7. Methods of Handling Waste Disposal:

Drill cutting, water, drilling fluids, etc., created by drilling operations will be placed in the reserve pit. When sufficient time has elapsed for liquid wastes in pits to dry, pits will be backfilled as close to original contour as possible, topsoil spread and re-seeded as per Bureau of Land Management requirements.

Sewage disposal will be by means of self-contained chemical toilets and disposed of in an approved sanitary land fill.

Trash baskets will be used to contain trash with disposal in an approved sanitary land fill.

Produced fluids will be stored in tanks and trucked from location; oil to the pipeline transfer point; and water to an approved disposal well or a drilling well.

#### 8. Ancillary Facilities:

None are planned.

## 9. Wellsite Layout - Exhibits "C" & "D"

Attached Exhibit "C" is a schematic of the drilling layout. Exhibit "D" is the cross-sections of the proposed location showing amounts of cut and fill required.

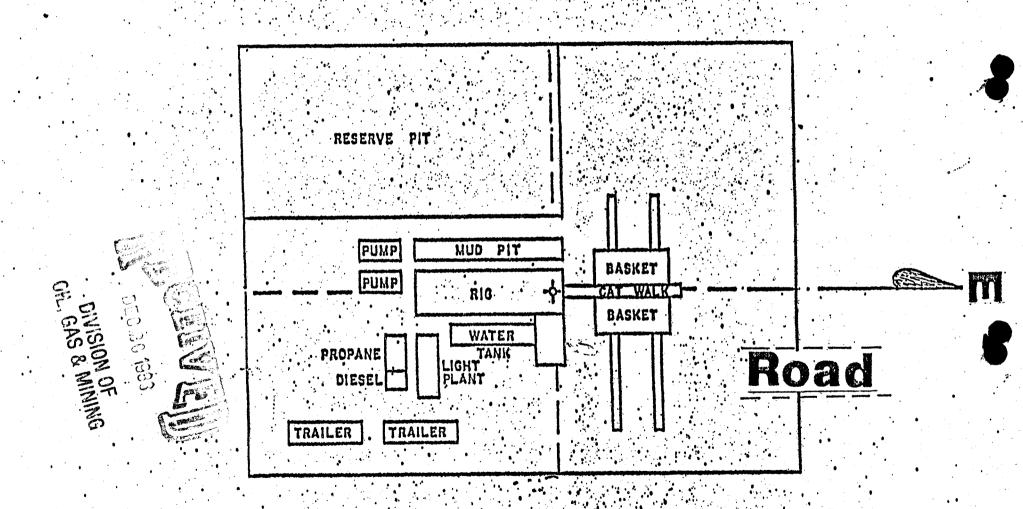
The top 12 inches of soil material will be removed from the location and stockpiled separate from the trees on the south and east side. Topsoil along the access will be reserved in place.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in.

The reserve pit will not be lined with commercial bentonite sufficient to prevent seepage. At least half of the capacity will be in cut.

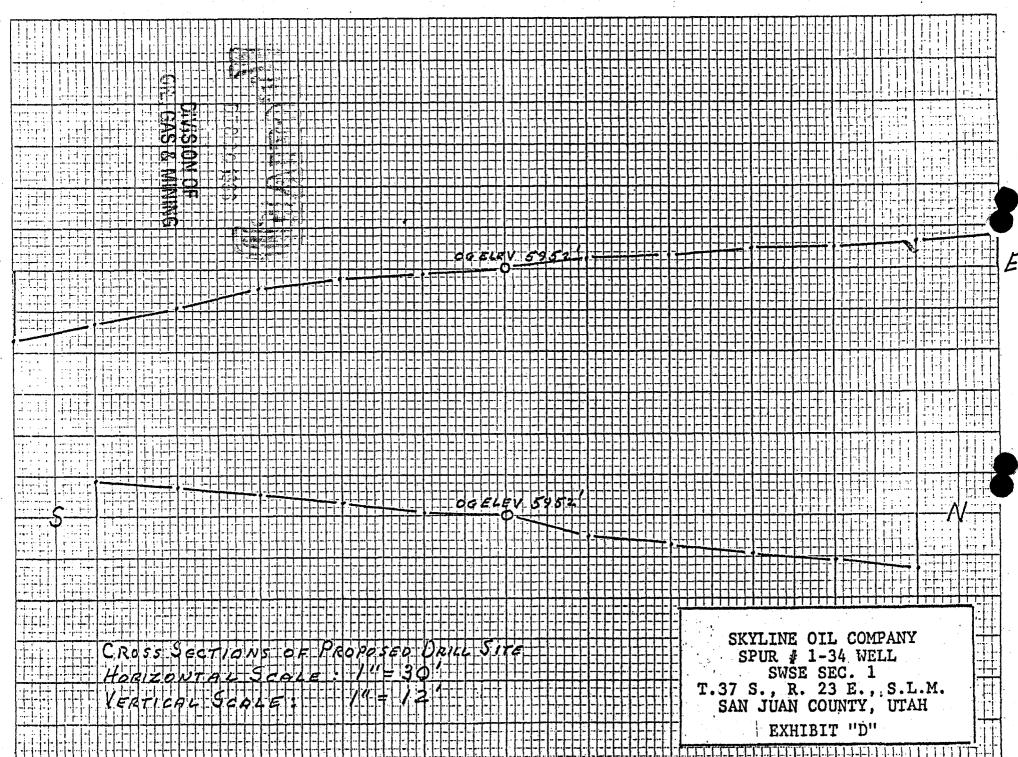
Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed.

SKYLINE OIL COMPANY
SPUR # 1-34 WELL
SWSE SEC. 1
T.37 S., R. 23 E., S.L.M.
SAN JUAN COUNTY, UTAH
SITE PLAN



SCALE I"= 50

EXHIBIT "C"



The fence will be kept in good repair while the pit is drying.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker, at (801) 587-2705.

#### 10. Reclamation:

- 1. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- 2. The operator or his contractor will contact the BLM office in Monticello, Utah, (801) 587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- 3. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- 4. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- 5. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.

6. Water bars will be built as follows to control erosion.

			V		1
<b>)</b>	DEC	30	198	3	

 Grade
 Spacing

 2%
 Every 200 feet

 2-4%
 Every 100 feet

 4-5%
 Every 75 feet

 5+%
 Every 50 feet

DIVISION OF

ON, GAS & MINISpeed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

2 lbs/acre Indian ricegrass (Oryzopsis hymenoides)
lbs/acre Curleygrass (Hilaria jamesii)
4 lbs/acre Crested wheatgrass (Agropyron desertorum)
lbs/acre Western wheatgrass (Agropyron smithii)
lbs/acre Alkali sacaton (Sporobolus airodies)
lbs/acre Sand dropseed (Sporobolus cryptandrus)
2 lbs/acre Fourwing saltbush (Atriplex cansescens)
lbs/acre Shadscale (Atriplex confertifolia)

lbs/acre Green ephedra (Ephedra viridis) 1bs/acre Cliffrose (Cowania mexicana) lbs/acre Desert bitterbrush (Purshia glandulosa) lbs/acre Winterfat (Eurotia lanata) lbs/acre Globemallow (Spaeralcea ambigua) 1 lbs/acre Wild sunflower (Helianthus annus) lbs/acre

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.

#### 11. Other Information:

Vegetation consists of sagebrush, juniper, pinion pine, and assorted native grasses. Fauna includes deer, rabbits, assorted lizards not exceeding 12 inches in length, and various flying and crawling insects.

The leasehold acreage is Federal with surface administered by the Bureau of Land Management.

Grazing is the only surface use activity in the immediate area of the location.

No dwellings of any type exist in the area and no archeological, historical or cultural site will be disturbed by the proposed operations.

#### 12. Lessee's or Operator's Representative:

Operator's representatives for drilling and completion operations will be:

Mr. Michael D. Anderson

Mr. Reed G. Spjut c/o Skyline Oil Company 2000 University Club Building 30 1983

Salt Lake City, Utah 84111

521-3500 DIVISION OF GAS & MINING Telephone: (801)

#### 12. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Skyline Oil Company and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

> Muhaf U Chileson, Michael D. Anderson, Staff Engineer

STATE OF UTAH

NOTE: The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading Explanatory.

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

1.	Irrigation Domestic Stockwatering Municipal Power Mining Other Uses X
2.	
3.	
<b>ł</b> .	The quantity of water to be appropriatedxxxxxxxxxxxxxx 20
5.	The water is to be used for oil & gas exploration 9 11 15 9 14
	other use periodfromto
	and stored each year (if stored) from
6.	The drainage area to which the direct source of supply belongs is GIL, GAS-&I-AMNING
7.	the direct source of supply is. Recapture Creek
	(Name of stream or other source) which is tributary to San Juan River, tributary to
irst s pace nav livert	*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being ted, the direct source should be designated as a stream and not a spring.
8. NE	The point of diversion from the source is in <u>San Juan</u> County, situated at a point* SE表 SE表 Sec. 12, T.36S., R.22E., San Juan County, Utah
د ددد.	Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south and each or
ii a j	with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of sion is not defined definitely.
mo	The diverting and carrying works will consist of <u>transfer to water hauling truck and</u> oved to drilling site by truck
	If water is to be stored, give capacity of reservoir in acre-feet NA height of dam area inundated in acres legal subdivision of area inundated
11.	If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:  NA
	TotalAcres
	Is the land owned by the applicant? Yes No X If "No," explain on page 2.
3.	Is this water to be used supplementally with other water rights? Yes No X  If "yes," identify other water rights on page 2.
±.	If application is for power purposes, describe type of plant, size and rated capacity. NA
5.	If application is for mining, the water will be used in NA Mining District at the NA mine, where the following-ores are mined
6.	If application is for stockwatering purposes, number and kind of stock watered NA
	If application is for domestic purposes, number of persons NA, or families NA
9:	If application is for municipal purposes, name of municipality NA  If application is for other uses, include general description of proposed uses to be used as
	rilling fluids for oil and gas well drilling.
20. S	Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. Townships 36 and 37 South, Ranges 23 and 24 East, L.M., San Juan County, Utah
21.	The use of water as set forth in this application will consume 20 XXXXXXXXXXXXXXXXXXIII feet of water and 0 XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

#### EXPLANATORY

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if applicant is	a corporation	or other	organization,	signature m	ust be the	name of	such corpo	ration or o	rganization
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## FEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	•
over 1.0 to 15.0		0 for each cfs above the first cubic
over 15.0	150.00 foot pe	er second.
Storage — acre-feet		
0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00 plus \$7.5	0 for each 500 a.f. above the first
over 7500		re feet.

	(This section is not to be filled in by applicant)
	STATE ENGINEER'S ENDORSEMENTS
1.	Application received by mail in State Engineer's office by
	Priority of Application brought down to, on account of
	, , , , , , , , , , , , , , , , , , ,
3.	9./83 Application fee, \$/5.00, received by Can Rec. No. 03539
4.	Application microfilmed by
<b>5.</b>	72/33 Indexed by Qv Platted by
3.	/2-8-83 Application examined by A
7.	Application returned, or corrected by office
3	Corrected Application resubmitted by mail to State Engineer's office.
9.	Application approved for advertisement by
).	Notice to water users prepared by
1.	Publication began; was completed
	Notice published in
2.	Proof slips checked by
	Proof slips checked by
	· ·
	Application protested by
3.	Application protested by
3. <del>1</del> .	Application protested by  Publisher paid by M.E.V. No.
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3. 4. 5. 6. 7. 8. 9.	Publisher paid by M.E.V. No.  Hearing held by  Field examination by  /2-8-83 Application designated for approval rejection  12/16/83 Application copied or photostated by Slm proofread by approved rejection  12/16/83 Application Proof of Approved, subject to prior rights, as follows:  a. Actual construction work shall be diligently prosecuted to completion.  b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR  c. TEMPORARY APPROVAL EXPIRES September 14, 1984.
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3. 4. 5. 6. 7. 8. 9.	Publisher paid by M.E.V. No.  Hearing held by  Field examination by  12/16/83 Application designated for rejection 12/16/83 Application copied or photostated by Slm proofread by 12/16/83 Application rejected  Conditions:  This Application is approved, subject to prior rights, as follows:  a. Actual construction work shall be diligently prosecuted to completion.  b. Proof of Appropriation shall be submitted to the State Engineer's office by  Conditions:  TEMPORARY APPROVAL EXPIRES September 14, 1984.  Fig. Dee C. Hansen, P.E., State Engineer  Time for making Proof of Appropriation extended to

	ENPLANATORY CONTINUED	
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Floric No. 6

#### NOTICE TO APPLICANT

All waters in this state, whether above or under the ground, are the property of the public, subject to all existing rights to the use thereof. No appropriation of the unappropriated public water may be cloude and no rights to the use thereof shall be recognized except Application for such appropriation first be made to the State Engineer.

The approval of this Application is not a Certificate of Appropriation. It is merely your authorate to begin construction work, which must be prosecuted diligently to completion. To secure a Certificate of Appropriation under this Application, Proof of Appropriation must be submitted within the time limit allowed by the State Engineer. The amount of water for which Certificate will be issued will depend upon the amount of water actually put to a beneficial use, not to exceed, however, the amount of water specified in this Application. Proof of Appropriation must be made in accordance with the regumements of the law. For further information write the State Engineer.

OPERATOR SKYLINE OIL CO	DATE /2-72-83
WELL NAME SPUR 1-34	
SEC SWSE / T 375 R 236	COUNTY SAN JUAN
43- 037-30973 API NUMBER	J=C=ZO TYPE OF LEASE
POSTING CHECK OFF:	
INDEX	P HL
NID	PI
PROCESSING COMMENTS:  OVATER PERMIT # 593/3 (09-	1308)
^	APPROVED BY THE STATE
	OF UTAH DIVISION OF OIL, GAS, AND MINING
	DATE: 12-27-83
CHIEF PETROLEIM ENGINEER REVIEW:	BY:
APPROVAL LETTER:	
APPROVAL LETTER:  SPACING: A-3UNIT	CAUSE NO. & DATE
SPACING: A-3	
SPACING: UNIT UNIT	CAUSE NO. & DATE
SPACING: A-3 UNIT c-3-b	CAUSE NO. & DATE
SPACING: A-3 UNIT c-3-b	CAUSE NO. & DATE
SPACING: A-3 UNIT c-3-b	CAUSE NO. & DATE
SPACING: A-3 UNIT c-3-b	CAUSE NO. & DATE

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.	
AUTHENTICATE LEASE AND OPERATOR INFORMATION	
VERIFY ADEQUATE AND PROPER BONDING	
AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.	
APPLY SPACING CONSIDERATION	
ORDER NO	
UNIT NO BA:	
c-3-c  c-3-c  CF UTAH DIVISION OF  OIL, GAS, AND MINING  DATE:  BY:	
CHECK DISTANCE TO NEAREST WELL.	
CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.	
IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER	
IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.	
VERIFY LEGAL AND SUFFICIENT DRILLING WATER	

#### December 22, 1983

Skyline Oil Company 2000 University Club Building Satt Lake City, Utah 84111

RE: Well No. Spur 1-34
SWSE Sec. 1, T. 37S, R. 23E
770' FSL, 1869' FEL
San Juan County, Utah

#### Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Rule C-3(b), General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to <u>immediately</u> notify the following:

RONALD J. FIRTH - Chief Petroleum Engineer

Office: 533-5771 Home: 571-6068

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (acquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-037-30973.

Sincerely,

Chief Petroleum Engineer

RJF/as

cc: Branch of Fluid Minerals

Enclosere

# DEPARTMENT OF THE INTERIOR verse side)

SUBMIT IN TRIPL (Other instructions

Form approved. Budget Bureau No. 42-R1424. 5. LEASE DESIGNATION AND SERIAL NO.

6. IF INDIAN, ALLOTTEE OR TEIBE NAME

U-24614

10. FIELD AND POOL, OR WILDCAT

GEOLOGICAL SURVEY							
SUNDRY	NOTICES	AND	REPORTS	ON	WELLS		

(Do not use thi

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  Use "APPLICATION FOR PERMIT—" for such proposals.)	
1.  OIL X GAS OTHER  WELL X WELL OTHER	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR SKYLINE OIL COMPANY	8. FARM OR LEASE NAME SPUR
3. ADDRESS OF OPERATOR	9. WELL NO. 1-34

2000 University Club Bldg., S.L.C., Utah 84111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*
See also space 17 below.)

At surface

770' FSL and 1869' FEL (SW SE) Sec. 1, T.37 S., R.23E.

Wildcat 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.1, T.37 S.,R.23 E.,

14. PERMIT NO. API #43-037-30973 15. ELEVATIONS (Show whether DF, RT, GR, etc.) OGL-5950'

12. COUNTY OR PARISE | 13. STATE San Juan Utah

16.

#### Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

				l .	· ·					
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EST WATER SHUT-OFF		PULL OR ALTER CASING			WATER SHUT-OFF		·	REPAIRI	NG WELL	
RACTURE TREAT		MULTIPLE COMPLETE		1	FRACTURE TREATMEN	r		ALTERIN	G CASING	
HOOT OR ACIDIZE		ABANDON*		Ì.	SHOOTING OR ACIDIZE			ABANDON		
EPAIR WELL		CHANGE PLANS			(Other)				csg.	
Other)				ļ .	(Note: Report Completion or	results ( Recomple	of mult tion Re	iple completi port and Log	ion on Wel gform.)	a

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Move in Coleman rig #2. Spudded well 6:00 a.m. 1-16-84. Drilled 17½" hole to 60'. Ran 60' 14" conductor casing. Cemented w/ Redi-mix. W.O.C.

Drilled out conductor w/12½" bit to 2200'.

Ran 58 jts. 9-5/8" 36# K-55 STC casing to 2198'. Cemented w/ 555 sx 65/35 Poz followed by 300 sx Class 'B'. Circ.cement to surface.

Cement in annulus fell. Cemented annulus w/85 sx Class 'B'.

Cement top @ surface. W.O.C. Cut off and weld on casinghead.

Installed BOP pressure test to 2000 psi. Drill out float collar and cement. Pressure test casing to 1,000 psi. Drill out casing shoe w/8-3/4" bit.

Drilling ahead.

S. I hereby certify that the foregoing is true and corn	rect	DIVISION OF OH, GAS & MINING				
		Staff Engineer	DATE 1-23-84			
(This space for Federal or State office use)						
APPROVED BYCONDITIONS OF APPROVAL, IF ANY:	TITLE		DATE			

#### GEOLOGICAL REVIEW

1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	IMPORTANT LOG TO	PS	
LAGE	FORMATION	DEFTH	DATUM
Triassic	Shinarump	2903	+3060
   Permian	Moenkopi	2930	+3033
Pennsylvanian	Cutler	3141	+2822
	Hermosa	4716	+1247
	Ismay (upper)	6068	- 105
1	Ismay (lower)	6203	- 240
1 H	Desert Creek	6278	- 315
	Akah	6347	- 384
	Salt	6400	- 437
Total Depth		6410	- 447

Form approved. Budget Bureau No. 42-R1424. 5. LEASE DESIGNATION AND SERIAL NO.

U-	2%	61	/.	
U-	Z4	UJ	. 4	

3

GEOLOGICAL SURVEY	U-24614
SUNDRY NOTICES AND REPORTS ON WELLS  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  Use "APPLICATION FOR PERMIT—" for such proposals.)	6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1. OSL GAS OTHER Dry Hole	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR SKYLINE OIL COMPANY	8. FARM OR LEASE NAME SPUR
2000 University Club Building, S.L.C., Utah 84111	9. WELL NO. 1-34
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*  See also space 17 below.)  At surface	Wildcat
770' FSL & 1869' FEL (SW SE) Sec.1, T.37 S.,R.23 E	11. SEC., T., E., M., OE BLE. AND SURVEY OR ABEA CO. 1 T 27 C P 23 F

15. ELEVATIONS (Show whether DF, RT, GR, etc.) 14. PERMIT NO. API #43-037-30973 OGL-5950' San Juan Utah

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	•
PULL OR ALTER CASING FRACTURE TREAT SHOOT OR ACIDIZE REPAIR WELL CHANGE PLANS (Other)	X/	WATER SHUT-OFF  FRACTURE TREATMENT SHOOTING OR ACIDIZING  (Other)  (Note: Report results of multiple completion on Well-Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Drilled 8-3/4" hole to 6415'.

Ran GR-DIL-SFL, GR-BHC Sonic and GR-FDC-CNL logs.

Ran DST #1

6155' - 6230'

15-30-60-120

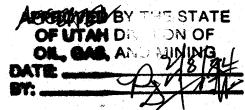
Recovered 155' SGC DM.

Prepare to Plug and Abandon.

Skyline proposes to P & A this well as follows:

6410 - 6120' 135 sxPlug #1 2240' - 2140' 35 sx Plug #2 Plug #3 Surface 10 sx.

Verbal approval to P & A granted by Bob Graff.



				<u>, , , , , , , , , , , , , , , , , , , </u>			
19. I hereby certify that the foregoing is frue and considered the signed from	rrect / //////////////////////////////////	Staff	Engineer		DATE	2-3-84	
(This space for Federal or State office use)							
APPROVED BY	TITLE _				DATE		

## DEPARTMENT OF THE INTERIOR (Other instructions verse side) GEOLOGICAL SURVEY

SUBMIT IN TRIPLE

Form approved. Budget Bureau No. 42-R1424. 5. LEASE DESIGNATION AND SERIAL NO.

#### U-24614 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY 1	NOTICES	AND	REPORTS	ON	WELLS
----------	---------	-----	---------	----	-------

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  Use "APPLICATION FOR PERMIT—" for such proposals.)	
OFFIL CAS OTHER Dry Hole	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR SKYLINE OIL COMPANY	8. FARM OR LEASE NAME SPUR
3. ADDRESS OF OPERATOR 2000 University Club Building, S.L.C., Utah 84111	9. WELL NO. 1-34
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*  See also space 17 below.)  At surface	10. FIELD AND POOL, OR WILDCAT Wildcat
770' FSI, & 1869' FEL (SW SE) Sec.1, T.37 S., R.23 E	11. SEC., T., R., M., OR BLK. AND

Sec. 1, T. 37 S., R. 23 E.,

12. COUNTY OR PARISH | 13. STATE 14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.) API #43-037-30973 OGL-5950' San Juan Utah

#### Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOT	ICE OF INT	ENTION TO:		SURSEQUENT REPORT OF:	1.50
TEST WATER SHUT-OFF		PULL OR ALTER CASING		WATER SHUT-OFF REPAIRING WELL	
FRACTURE TREAT		MULTIPLE COMPLETE		FRACTURE TREATMENT ALTERING CASING	
SHOOT OR ACIDIZE		ABANDON*		SHOOTING OR ACIDIZING ABANDONMENT*	X
REPAIR WELL		CHANGE PLANS		(Other)	لــــا
(Other)				(Note: Report results of multiple completion on Wei Completion or Recompletion Report and Log form.)	1

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

This well was P & A'd as follows:

6410' - 6123' Plug #1 136 sx Plug #2 36 sx Plug #3 Surface 10 sx

A regulation dry hole marker has been erected and set in place.

The location rehabilitation will be accomplished as soon as weather permits.

**APPROVED BY THE STATE** OF UTAH DIVISION OF OIL, GAS, AND DATE: .

S. I hereby certify that the forgoin? is that and correct signed / the cluster	TITLE Staff Engineer	DATE 2-3-84
(This space for Federal or State office use)		
APPROVED BY	TITLE	DATE

# UNION STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPE (Other instructions verse side) Form approved. Budget Bureau No. 42-R1424.

DEPARTMENT OF THE INTERIOR verse std	6) 5. LEASE DESIGNATION AND SERIAL NO.
GEOLOGICAL SURVEY	U-24614
SUNDRY NOTICES AND REPORTS ON WELL  Do not use this form for proposals to drill or to deepen or plug back to a difference use "APPLICATION FOR PERMIT—" for such proposals.)	ent reservoir.
GAS OTHER Dry Hole	7. UNIT AGREEMENT NAME
SKYLINE OIL COMPANY	8. FARM OR LEASE NAME SPUR
2000 University Club Bldg., S.L.C., Utah 8411 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirem	9. WELL NO.  1 1-34  ents.* 10. FIELD AND FOOL, OR WILDCAT
See also space 17 below.) At surface	Wildcat
770' FSL & 1869' FEL (sW SE) Sec. 1, T. 37 S.	Sec. 1, T. 37 S., R. 23 E. Sec. 1, T. 37 S.,
34-PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GR, etc.)	12. COUNTY OR PARISH 13. STATE
API #43-037-30973   OGL-5950'	San Juan   Utah
Check Appropriate Box To Indicate Nature of No.	tice, Report, or Other Data
	SUBSEQUENT REPORT OF
TEST WATER SHUT-OFF PULL OR ALTER CASING WATER	SHUT-OFF REPAIRING WELL
FRACTURE TREAT MULTIPLE COMPLETE FRACTU	RE TREATMENT ALTERING CASING
SHOOT OR ACIDIZE ABANDON* SHOOTII	NG OR ACIDIZING ABANDONMENT* X
REPAIR WELL CHANGE PLANS (Other)	
	Note: Report results of multiple completion on Well completion or Recompletion Report and Log form.)
17. LESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and proposed work. If well is directionally drilled, give subsurface locations and measurement to this work.)*	give pertinent dates, including estimated date of starting any ured and true vertical depths for all markers and zones perti
The above-referenced well has been plugged a	s follows ECELVEII
Plug #1 6410' - 6023' 136 sx Clas Plug #2 2240' - 2140' 37 sx '' Plug #3 Surface 10 sx ''	ss 'B' FEB 24 1984
이 경기에 대통하다 사람들은 사람들이 되었다.	
Plug set 2-2-84.	DIVISION OF OH, GAS & MINING
Installed dry hole marker. Rig released 2-2	
Rehabilitation of location and access road w	vill be accomplished during
the Spring 1984.	behalical the etate
	OF LITAL DIVISION OF
	OH GAR AND MINER
	THE THE PARTY OF T
	DATE
18. I hereby certify that the foregoing as true and correct	en e
SIGNED Muhay Uhideise TITLE Staff En	gineer 2-23-84

TITLE

(This space for Federal or State office use)

GEOLOGICAL WELL REPORT

SKYLINE OIL CO.

SPUR # 1-34

Sec. 1, T 37 S - R 23 E

San Juan Co. Utah

By: B. F. Latch

CPG # 1701 Mar. 2, 1984

Skyline OIL CO. Spur # 1 - 34 Sec. 1, T 37 S - R 23 E San Juan Co. Utah

### GENERAL OPERATIONS

The drilling of this well was undertaken using rotary tools. Fresh water and a chemically treated gel mud were used as the circulating medium.

In order to protect fresh water aquifers and to insure against drilling problems, a protective string of 9-5/8" casing was set to a depth of 2198'. This is sufficient casing to cover all fresh water aquifers recognized in the area. Sufficient cement was run to circulate to the surface.

All drilling objectives were accomplished with a minimal amount of operational problems. At no time did situations arise that constituted an undue danger to either the drilling equipment or the personnel involved in the operation.

### EVALUATION

### GEOLOGICAL SUPERVISION:

This well was under constant geological supervision from a depth of 4500' until total depth was reached.

### SAMPLES:

Ten foot samples were caught from a depth of 4000° to the total depth of 6415°. Sample quality was

! fair to good. All samples were caught and microscopically
!
! examined while drilling was in progress.
!

### MUD LOGGING:

A one man mud logging unit was utilized from a depth of 4000 until the total depth was reached. This unit was equipped with both a hot wire and a chromatograph for hydrocarbon analysis.

Several shows were encountered during the drilling of the well but none were associated with sufficient porosity nor were of sufficient magnitude to warrant a drill stem test in the eyes of the well site geologist.

### CORES:

Although some coring was anticipated, it was made contingent upon sufficient porosity and shows to warrant this action. Such conditions were not encountered so no coring was attempted in this well.

### DRILL STEM TESTS:

Lack of substantial shows and evidences of porosity precluded the conduct of drill stem tests during the drilling operations.

I am informed that a test was conducted over the lower portion of the upper Ismay zone after the writer had left the location. Details of this test are not available for this report but I am informed that recoveries and results are inconsequential.

### ELECTRICAL LOGGING:

Upon reaching a total depth of 6415' the following logs were run by Schlumberger.

DIL - SFL w GR 2198 - 6410

BHC SONIC w GR & CALIPER 2198 - 6410

CNL - FDC w GR & CALIPER 2198 - 6410

Evaluation of these logs revealed no additional zones of interest and confirmed the sample and mud log analysis of the prospective zones.

THE WIND STREET AND ADDRESS OF THE STREET AN

### CONCLUSIONS

Evaluation of all information available indicated this well to have no economic value.

It was recommended that this well be plugged and abandoned and these steps were subsequently taken.

### RECOMMENDATIONS

The superior stratigraphic conditions that had been anticipated in this well were not encountered. The upper Ismay zone was comprised of massive anhydrite and very dense to shaley dolomites. The same depositional conditions were encountered in the prospective Desert Creek horizons.

Both prospective pay intervals were essentially devoid of both porosity and legitimate shows.

has occurred in the intervening beds with the subsequent develop- :
ment of porosity.

It now appears that the orientation of the reservoir beds is roughly northwest - southeast.

An intensive stratigraphic study should now possibly define the true orientation of this reefal body and perhaps lend some information as to the areal extent of this reservoir forming body.

### SUBMIT IN DUPLIC. DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

(See other instructions on reverse side)

	Form approved. Budget Bureau N	o. 42–R3	55.5.	1
. LEASE	DESIGNATION AND	SERIAL	NO.	ŀ
11-2	24614	100	_	

							6 IF INDIAN AL	LOTTEE OR TRIBE NAME
WELL CON	MPLETION	OR RECO	MPLETION I	REPORT A	AND L	OG*	0. IF 1DIAN, A.	3207233
1a. TYPE OF WELL	L: OII.	LL GAS WELL	DRY X	Other			7. UNIT AGREEM	ENT NAME
b. TYPE OF COMP			DIEE C					
WELL X	OVER DE	EP- PLUG BACK	DIFF.	Other			S. FARM OR LEA	
2. NAME OF OPERATO	OR						SPUR	
SKYLIN 3. ADDRESS OF OPER	E OIL CO	MPANY				······································	9. WELL NO.	
						100	1-34	POOL, OR WILDCAT
2000 U 4. LOCATION OF WEL	niversit	y Club B	ldg.,SLC,U	tah 841	emente)*			
At surface	L (Report tocar	ion cicarty and m		g State ( equal	Cimolotoj		Wildca	t OR BLOCK AND SURVEY
-I/I in $M$	ST. & 186	9' FEL(S	WSE) Sec.	1.T.37S	S. R. 2	3E.	OR AREA	
the first of the f	rval reported b	elow LLL()		-,	, , , , , , , , , , , , , , , , , , , ,			, T. 37 S.,
At total depth			43-037-	30972			R. 23	E.,SLB&M
Same			14. PERMIT NO.		DATE ISSUE	D	12. COUNTY OR PARISH	13. STATE
		100	1511	0/15-11	2-14-	83	San Juan	Utah
15. DATE SPUDDED	16. DATE T.D.	1 (20 (a)) 1	e complete de	v rod 1 8	ELEVATION	S (DF, REB, 1	RT, GR, ETC.)* 1	9. ELEV. CASINGHEAD
1-16-84	1-31	-84	The state of the s	<b>D</b>	OGL -	5950'	5	949 (est.)
20. TOTAL DEPTH, MD &	tvo 21. PL	UG, BACK T.D., ME &	TVD 22. IF MUL	TIPLE COMPLA		INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
6415		6415	MAR 12 N			<b>→</b>	X	
24. PRODUCING INTER	VAL(S), OF THIS	COMPLETION—TO						25. WAS DIRECTIONAL SURVEY MADE
			DIVISION	OF				
P & A		C	H GAS & N	MINING				No
26. TYPE ELECTRIC A	`		700 Divo 0				27	. WAS WELL CORED
GR-DIL	-SPL, LOR	Company of the last of the las	GR-BHC S					No
28. CASING SIZE	I water to	<u> </u>	THE RECORD (Rep		s set in well	) CEMENTING	DECORD	
9-5/8	жеіснт, <sub>дв.</sub>	21		LE SIZE	555 0	$\times 65/3$		AMOUNT PULLED
9-3/0			12	.4		x Clas		None
	-				300 5	v Cras	<u> </u>	
(1995)   (1996)					ļ			
29.	<del></del>	LINER RECOR	<u> </u>		1 30.	<u> </u>	TUBING RECORD	
SIZE	TOP (MD)	BOTTOM (MD)	SACES CEMENT*	SCREEN (MI			DEPTH SET (MD)	PACKER SET (MD)
		<u> </u>						
31. PERFORATION REC	OED (Interval, 8	ize and number)	<u>'</u>	82.	ACID, SI	HOT, FRACT	URE, CEMENT S	QUEEZE, ETC.
		-11		DEPTH INT	TERVAL (MD	KA (	OUNT AND KIND O	F MATERIAL USED
<u>P &amp; A</u>	<u>2-2-84</u>				· · · · · · · · · · · · · · · · · · ·	·····		<del></del>
			· · · · · · · · · · · · · · · · · · ·					
		•						
33.*	·			DUCTION				
DATE FIRST PRODUCT	ON PROI	OUCTION METHOD	(Flowing, gas lift, p	umping—size	and type of	pump)	WELL STE shut-in	ATUS (Producing or )
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR	OIL-BBL.	GAS-	MCF.	WATER-BBL.	GAS-OIL RATIO
FLOW, TUBING PRESS.	CASING PRESSU	RE   CALCULATED		GAS	MCF.	WATER-	-BBL. OT	L GRAVITY-API (CORR.)
			<u> </u>					
34. DISPOSITION OF G	as (Sold, used fo	or fuel, vented, etc	.)				TEST WITNESSEI	р вх
35. LIST OF ATTACH	MENTS	······································					1	
Geolog	ic Repor	t						
36. I hereby certify			information is comp	plete and corre	ect as deter	mined from	all available reco.	rds
- 1	1 11	7/1/		Staff H				
SIGNED 7/14	may N	gulles	TITLE _	DCGIT I	TIRTHE	CT	DATE _	3-9-84

# NSTRUCTIONS

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State-laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions. and/or State office.

should be listed on this form, see item 35.

Hem 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

1. If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, Consult local State Hem 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. or Federal office for specific instructions.

additional interval to be separately produced, showing the additional data pertinent to such interval.

"Sacks Coment": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool. Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.) tem 29: for each

						•					
ď	TRUE VERT. DEPTH			•	9	•					
TOP	MEAS. DEPTH	2903	2930	4716	8909	6278	6347			3. Sec. 19.	
	NAME	Shinarump	Moenkopi	Hermosa	Ismay	Desert Greek	Akah				
<i>'-</i>				<b>24</b>							
HRMATION TOP BOTTOM DESCRIPTION, CONTENTS, ETC.											
DESC											
воттом				· · · · ·				78			
TOP									2 (4.4) 1 (2) 1 (3)		
FORMATION											

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 4241 State Office Building Salt Lake City, UT 84114



# DIVISION OF OHL, GAS & MINING

### \*REPORT OF WATER ENCOUNTERED DURING DRILLING\*

Well Name & Number SPUR # 1-34	
CHANT THE OTT COMPANY	2000 University Club Bldg.
Operator SKYLINE OIL COMPANY	Address Salt Lake City, Utah 84111 P. O. Box 3337
Contractor COLEMAN DRILLING CO.	Address Farmington, New Mexico 8740
Location SW 1/4 SE1/4 Sec. 1	T. 37 S. R. 23 E County San Juan
Water Sands	
<u>Depth</u> <u>Volu</u>	me Quality
From To Flow Rate	e or Head Fresh or Salty
1.	
2. NO WATER ENCOUNTERED	
3.	
4	
5.	
(Continue on reverse	side if necessary)
Ismay - 6068', Desert Creek - 62	930', Cutler - 3141', Hermosa - 4716', 278', Akah - 6347'
Remarks	
	ovided for in Rule C-20, General Rules of Practice and Procedure.
(b) If a water analysis has be	een made of the above reported zone,

please forward a copy along with this form.

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Form 3160-6 (November 1983) (Formerly 9-329)

MONTHLY REPORT OF CPERATIONS

Lease No	U-24614		
Communitiza	ation Agreement No Wildcat		
Unit Name _			
County	Area San Juan	State	Utah
-	SKYLINE OIL COM	PANY	

The following is a correct report of operations and production (including status of all unplugged wells) for the mont of February 1984

### (See Reverse of Form for Instructions)

This report is required by law (30 U.S.C. 189, 30 U.S.C. 359, 25 U.S.C. 396d), regulation (43 CFR 3162.4-3), and the terms of the lease. Failure to report can result in the assessment of liquidated damages, (43 CFR 3160), penalties, shutting down operations, or basis for recommendation to cancel the lease and forfeit the bond (43 CFR 3160).

Weil No.	Sec. & 1/4 of 1/4	TWP	RNG	Well Status	Days Prod.	*Barrels of Oil	*MCF of Gas	*Barrels of Water	Remarks
-34	SW SE	37S	23E	P & A					Drilled to
- 0.	Sec. 1	3,0		- 0					6415'
	bec. I			·	· .				P & A 2-2-84
									L & A Z-Z-O.
				,					
		a series	. 4						
						<i>i</i>			
	-	<u> </u>	国川						
		30	سنطا						
	1/1//				1				
	11/1/		21		M .				
	1/ //	1	K		<b>/</b>				
	1/1/	I		- STANIS	a l	1.			
	וען	سيسالا	SU GI	28 Minni					
	l n	N. OF	UIL OF	8 & MININ					
	L								
			i						

\*If none, so state.

### DISPOSITION OF PRODUCTION (Lease, Participating Area, or Communitized Area basis)

	Oil & Condensate (BBLS)	Gas (MCF)	Water (BBLS)
*On hand, Start of Month		xxxxxxxxxxxxx	XXXXXXXXXXXXXXXX
*Produced			
*Sold			XXXXXXXXXXXXXXX
Spilled or Lost	· · · · · · · · · · · · · · · · · · ·	xxxxxxxxxxxxxx	XXXXXXXXXXXXXXX
*Flared or Vented	XXXXXXXXXXXXXXXX		XXXXXXXXXXXXXXX
Used on Lease		-	XXXXXXXXXXXXXXXX
*Injected			e grande de la companya de la compa
Surface Pits	<u>xxxxxxxxxxxxxxxxxx</u>	XXXXXXXXXXXXXXXX	
Other (Identify)			
'On hand, End of Month		XXXXXXXXXXXXXXXX	XXXXXXXXXXXXXXX
API Gravity/BTU Content , 1/1/7		· · · · · · · · · · · · · · · · · · ·	XXXXXXXXXXXXXXXXX
Authorized Signature: Musical de Char Title: Staff Engineer		000 University C	lub Bldg.,SLC,U 1 8411

Form 3160-5 (November 1983) UNITED S		Budget Bureau No. 1004-0135 Expires August 31, 1985
DEPARTMENT OF	IHE INIERIUR verse alde)	5. LEASE DESIGNATION AND SERVAL NO. U-24614
BUREAU C. LAND		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
SUNDRY NOTICES AND	O REPORIS ON WELLS to deepen or plug back to a different reservoir.	
(Do not use this form for proposals to drill or Use "APPLICATION FOR PE	RMIT—" for such proposals.)	
oit CAB OTHER Dry Hol		7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR		8. FARM OR LEASE NAME
SKYLINE OIL COM	<b>IPANY</b>	SPUR
3. ADDRESS OF OPERATOR	•	9. WELL NO.
2000 University Club Bldg.,		1-34
<ol> <li>LOCATION OF WELL (Report location clearly and in a See also space 17 below.)</li> <li>At surface</li> </ol>	ccordance with any State requirements.	10. FIELD AND POOL, OR WILDCAT Wildcat
	E) Sec. 1, T.37 S., R.23 E	11. BBC., T., E., M., OZ BLK. AND
		Sec. 1, T.37 S.,
		R. 23 E. SLM
	NS (Show whether DF, RT, GR, etc.)	12. COUNTY OR PARISH 13. STATE San Juan Utah
AII #43-037-30973   00	37-7370	San Juan Utah
Check Appropriate Bo	ox To Indicate Nature of Notice, Report, o	Other Data
NOTICE OF INTENTION TO:	BUBB	EQUENT REPORT OF:
TEST WATER SEUT-OFF PULL OR ALTER	CASING WATER SHUT-OFF	REPAIRING WELL
FRACTUBE TREAT MULTIPLE COMP	LETE FRACTURE TREATMENT	ALTERING CASING
SHOOT OR ACIDIZE ABANDON*	SHOOTING OR ACIDIZING	ABANDONMENT*
REPAIR WELL CHANGE PLANS	(Other) (Norz: Report rest	ilts of multiple completion on Well
(Other) Re-enter & re-plug  17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clear	Completion or Reco	upletion Report and Log form.)
proposed work. If well is directionally drilled, g nent to this work.)*	ive subsurface locations and measured and true ver	tical depths for all markers and zones perti-
A recent on-site inspect	on on this well's drillin	Acres of the Armond
a small gas leak in the o	lry hole marker. Skyline	Oil Company intends
to re-enter and re-plug t	this well according to the	attached prognosis
		accachea prognosis.
Additionally, the small a	gas sand at 5816' - 5820' 1	may be tested by use
-C - 1 Dom		
or open-noie DST equipmen	nt if determined practical	
		인생님이 목반 생활 감상이다
	A <sub>6</sub>	STATE OF THE OTHER
		ENTAH DIVISION OF
		OF UTAH DIVISION OF OIL, GAS, AND MINING
	DAT	F. O. A. HIBIT
	BY:	
18. I hereby certify that the foregoing is true and corr	ect	
SIGNEMULAND Chilesa	TITLE Staff Engineer	DATE 4-10-84
		WAID . 20 07
(This space for Federal or State office use)		
APPROVED BY	TITLE	DATE

### SKYLINE OIL COMPANY

SPUR #1-34 SW SE Sec. 1, T. 37 S., R. 23 E., San Juan County, Utah

### Re-entry & Plugging Prognosis

- 1. Set and test safety anchors. Move in workover rig.
- 2. Remove dry hole marker. Install 9-5/8" x 5½" 3000 psi WP wellhead. Install 3000 psi WP BOP's and rig up workover unit.
- 3. Set tanks. Rig up power swivel. Drill out surface cement plug and cement plug at base of surface casing (± 2140'- 2240'). TIH and tag cement plug @ ± 6120'.
- 4. Rig up cementers and place cement plug 5870' 5670' with 80 sc cement. TOOH to ± 2240'. Set cement plug 2240' 2140' with 35 sx cement. TOOH.
- 5. Rig down workover rig. Remove BOP's and wellhead. Set 10 sx surface plug. Install dry hole marker. Cut off deadmen. Rehabilitate location as weather permits.

Form approved. Form 3160-5 (November 1983) Budget Bureau No. 1004-0135-3 OF THE INTERIOR (Other Instruction re-UNLIED STATES Expires August 31, 1985 DEPARTME 5. LEASE DESIGNATION AND SERIAL NO. (Formerly 9-331) U-24614 BUREAU OF LAND MANAGEMENT 6. IF INDIAN, ALLOTTEE OR TRIBE NAME SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.

Use "APPLICATION FOR PERMIT—" for such proposals.) 7. UNIT AGREEMENT NAME Dry Hole OTHER 2. NAME OF OPERATOR S. FARM OR LEASE NAME SKYLINE OIL COMPANY SPUR 3. ADDRESS OF OPERATOR 9. WELL NO. 1-34 2000 University Club Bldg., S.L.C., Utah 84111 LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\* See also space 17 below.)
At surface 10. FIELD AND POOL, OR WILDCAT Wildcat 11. SEC. T. R. M. OR BLK. AND SEC. I, T. 37 S. 770' FSL & 1869' FEL (SW SE) Sec. 1, T. 37 S., R.23 E. 23 E., SLM 15. ELEVATIONS (Show whether Dr. RT. GR. etc.) 14. PERMIT NO. 12. COUNTY OR PARISH | 13. STATE API #43-037-30973 OGL - 5950' San Juan Utah 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: TEST WATER SHUT-OFF PULL OR ALTER CASING WATER SHUT-OFF REPAIRING WELL FRACTURE TREAT MULTIPLE COMPLETE PRACTURE TREATMENT ALTERING CARING SHOOT OR ACIDIZE ABANDON\* SHOOTING OR ACIDIZING ABANDONMENT\* REPAIR WELL CHANGE PLANS (Other) (Norm: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) (Other) 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) \* The subject well was plugged and abandoned 4-26-84 as follows: 6410' - 6162' Plug #1 136 sx. (previously set & reported) 6140' - 6044' Plug #2 35 sx. (previously set & reported) 5879' - 5664' 110 sx. Tagged cement after 6 hrs. Plug #3 setting time. 2270' - 2100' Plug #4 55 sx.Tagged cement after 13 hrs. setting time. Surface 10 sx. Plug #5

Dry hole marker was installed and location cleaned of all debris and equipment.

Location rehabilitation will begin as soon as weather permits.

	· · · · · · · · · · · · · · · · · · ·	
18. I hereby certify that the foregoing is true and correct SIGNED Michael W. Condusa	TITLE Staff Engin	eer DATE 5-2-84
(This space for Federal or State office use)  APPROVED BY	TITLE	ARROWED BY THE STATE OF UTAH DIVISION OF
CONDITIONS OF APPROVAL, IF ANY:		OIL, GAS, AND MINING
*Se	e Instructions on Reverse Side	BY:

Form 3160-5 UNITED STATES SUBMIT IN TRIPLICATE- (November 1983) (Other Instruction of Person 1983)	Budget Bureau No. 1004-0135 Expires August 31, 1985
(Formerly 9-331) DEPARTME OF THE INTERIOR verse alde)	5. LEASE DESIGNATION AND SERIAL NO.
BUREAU OF _AND MANAGEMENT	U-24614  6. IF INDIAN, ALEOTTEE OR TRIBE NAME
SUNDRY NOTICES AND REPORTS ON WELLS  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  Use "APPLICATION FOR PERMIT—" for such proposals.)	OF THE PARTY OF THE PARTY.
I. OIL GAS OTHER WELL OTHER	7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR SKYLINE OIL COMPANY	8. FARM OR LEASE NAME SPUR
3. ADDRESS OF OPERATOR 2000 University Club Bldg., S.L.C., Utah 84111	9. WELL NO. 1-34
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*  See also space 17 below.)  At surface  770' FSL & 1869' FEL (SW SE) Sec. 1, T. 37 S., R.23 E.	Wildcat  11. SHC. T., R., N., OR BLK. AND Sec. I, T. 37 S., R. 23 E., SLM
14. PERMIT NO.   15. ELEVATIONS (Show whether DP, RT, GR, etc.)  API #43-037-30973   OGL-5950'	12. COUNTY OR PARISH 13. STATE San Juan Utah
Check Appropriate Box To Indicate Nature of Notice, Report, or O NOTICE OF INTENTION TO:  BUBBEQUE	ther Data
Completion or Recomple	ALTERING WELL ALTERING CASING ABANDONMENT*  of multiple completion on Well etion Report and Log form.)
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical nent to this work.)  Move-in and rig up Big 'A' Well Service 4-1-84.	including estimated date of starting any i depths for all markers and zones perti-
Removed dry hole marker and installed 9-5/8" x 5½" 30 Installed BOP's.	000 psi WP wellhead.
Drilled out surface plug and cement plug at base of s Circulated out drilling mud to 6162'.	urvace casing.
Set 35 sx cement plug 6140' - 6044' (tagged with tubi	ng).
Attempted to run DST #1 5770' - 6044'. Pkr failed.	
Ran DST #2 5788' - 6044'. Recovered gas to surface shut in. Flowed gas to surface at stabilized rate of DST #2. Recovered 871' gas cut drilling mud in drill	81 MCF. POOH w/
Shut well in 4-19-84. Waiting on orders.	
RECEIV	ED
MAY 0 3 19	184
DIVISION OF  18. I hereby certify that the foregoing/19 tode and correct  GAS & MINI	OIL
18. I hereby certify that the foregoing is true and correct  SIGNED While A Staff Engineer  Staff Engineer	рата 4-23-84.
(This space for Federal or State office use)	
APPROVED BY TITLE CONDITIONS OF APPROVAL, IF ANY:	DATE

	1		
В	BI	ها	

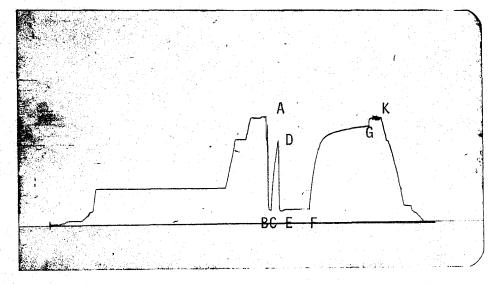
Contractor	Big A Well Service
Rig No.	
Spot	770FSL & 1869FEL
Sec	
Twp	
Rng.	
Field	Wildcat
County	San Juan
	Utah
Elevation	5950_ft
Formation	Hermosa

Top Choke	1411
Bottom Choke	1"
Size Hole	8 3/4"
Size Rat Hole	
Size & Wt. D. P	2 7/8"
Size Wt. Pipe	2 7/8"
I. D. of D. C	1 5/8"
Length of D. C	661 ft.
Total Depth	6044 ft.
Interval Tested	5788-6044 ft
Type of Test	Bottom Hole
	Inflate

	Flow No. 1	15	Min.
	Shut-in No. 1	30	Min.
	Flow No. 2	120	Min.
	Shut-in No. 2_	240	Min.
	Flow No. 3		Min.
	Shut-in No. 3_		Min.
-			• 2
	Bottom Hole Temp	, <b></b>	
Ť		11.5	
	Gravity		
	Viscosity	75	

Tool opened @ 5:57 a.m.

### Outside Recorder



PRD Make Kust		
No. 24521 Cap. 6	625	@ 5795!
Press		Corrected
Initial Hydrostatic	Α	3064
Final Hydrostatic	K	2997
Initial Flow	В	408
Final Initial Flow	С	386
Initial Shut-in	D	2364
Second Initial Flow	E	358
Second Final Flow	F	397
Second Shut-in	G	2772
Third Initial Flow	Н	
Third Final Flow	1	
Third Shut-in	J	

Lynes Dist.: Rock Springs, WY Our Tester: Steve McKinney Witnessed By: Don Bowden

Did Well Flow - Gas Yes Oil -- Water \_

RECOVERY IN PIPE:

871 ft. Total fluid recovered = 3.25 bbls.

871 ft. Gas cut mud = 3.25 bbls.

Blow Description:

1st flow:

Tool opened with fair blow increasing to 19 psi in 15 minutes.

2nd flow:

Gas to surface immediately (see gas volume report).

Comments:

The test results indicate a mechanically successful test. The

flow and shut-in curves suggest low permeability within the

zone tested.

No. Final Copies

Spur #1-34

4

KYLINE OIL DST#: 3 SPUR #1-34 5788 - 6044ft.

Location: 1-378-23E

Test Type: BOTTOM HOLE INFLATE Formation: HERMOSA

Recorder Number: 24521 Recorder Depth: 5795 5795 ft.

### TIME-PRESSURE LISTING

CHART LABEL COMMENTS	TIME MIN.	DELTA P	•	(T+dt)/dt ABSCISSA	
A INITIAL HYDROSTATIC	0.00		3064.0		psi 2/10 0
B START OF 1st FLOW	0.00		408.0		
C END OF 1st FLOW	15.00		386.0		
D END OF 1st SHUTIN	0.00 2.00 4.00 8.00 10.00 12.00 14.00 16.00 20.00 22.00 24.00 26.00 28.00 30.00	578.0 751.0 922.0 1083.0 1202.0 1339.0	386.0 614.0 774.0 964.0 1137.0 1308.0 1469.0 1588.0 1725.0 1819.0 1918.0 2011.0 2125.0 2194.0 2267.0 2364.0	0.0000 8.5000 4.7500 3.5000 2.8750 2.5000 2.2500 2.0714 1.9375 1.8333 1.7500 1.6818 1.6250 1.5769 1.5357	0.0000 .3770 .5991 .9293 1.2928 1.7109 2.1580 2.5217 2.9756 3.3088 3.6787 4.0441 4.5156 4.8136 5.1393 5.5885
E START OF 2nd FLOW	0.00		358.0		
F END OF 2nd FLOW	120.00		397.0		
2nd SHUTIN PERIOD	0.00 5.00 10.00 20.00 25.00 30.00 35.00 40.00 45.00 50.00 50.00 70.00	0.0 628.0 1100.0 1463.0 1728.0 1917.0 2022.0 2086.0 2139.0 2170.0 2195.0 2214.0 2236.0 2272.0 2300.0	397.0 1025.0 1497.0 1860.0 2125.0 2314.0 2419.0 2483.0 2536.0 2567.0 2592.0 2611.0 2633.0 2697.0	10.0000 7.7500	5.5885 1.0506 2.2410 3.4596 4.5156 5.3546 5.8516 6.1653 6.4313 6.5895 6.7185 6.8173 6.9327 7.1236 7.2738

YLINE OIL DST#: 3 SPUR #1-34 5788 - 6044ft,

Location: 1-379-23E

Test Type: BOTTOM HOLE INFLATE

Formation: HERMOSA

Recorder Number: 24521 Recorder Depth: 5795 ft.

TIME-PRESSURE LISTING

CHART LABEL COMMENTS	TIME MIN.	DELTA P	PRESSURE psi	(T+dt)/dt ABSCISSA	PRESSURE SQUARED
	90.00	2322.0	2719.0	2.5000*	psi^2/10^6 7.3930
	100.00	2339.0	2736.0	2.3500*	7.4857
	110.00	2359.0	2756.0	2.2273*	7.5955
G END OF 2nd SHL	JTIN 120.00	2375.0	2772.0	2.1250×	7.6840

Q FINAL HYDROSTATIC 0.00 2997.0

\* VALUES USED FOR EXTRAPOLATIONS

2nd SHUT-IN

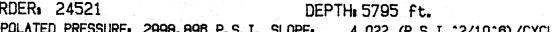
HORNER EXTRAPOLATION 2998,90 PSI

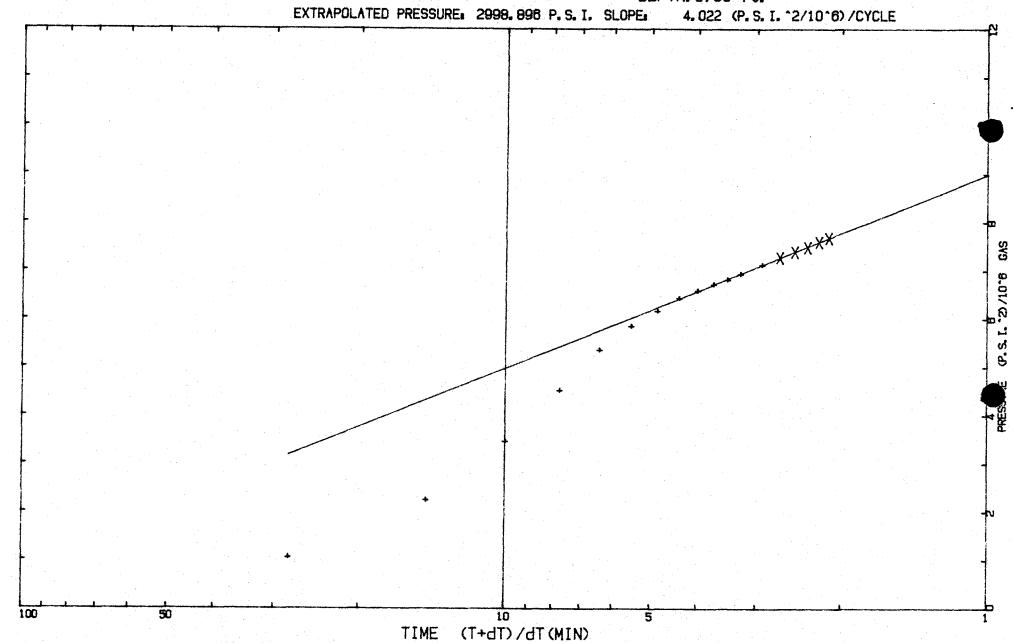
HORNER SLOPE

4.02 (psi^2/10^6)/cycle

OPERATOR: SKYLINE OIL WELL NAME: SPUR #1-34 LOCATION: 1-375-23E SECOND SHUT-IN RECORDER: 24521

DST #: 3

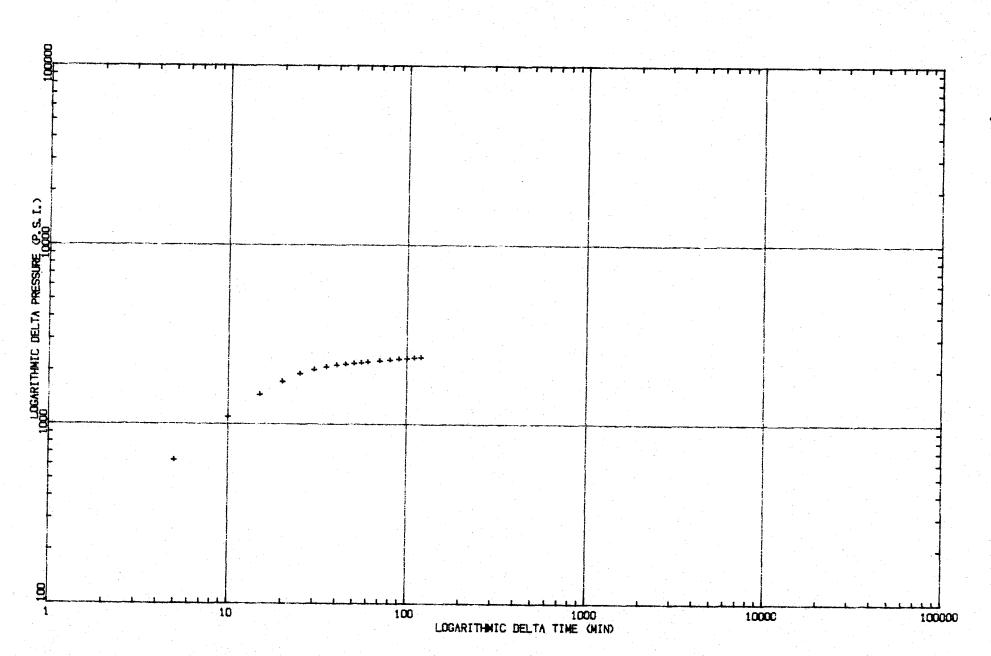




OPERATOR: SKYLINE DIL WELL NAME: SPUR #1-34 LOCATION: 1-37S-23E SECOND SHUT-IN RECORDER: 24521

DST #: 3

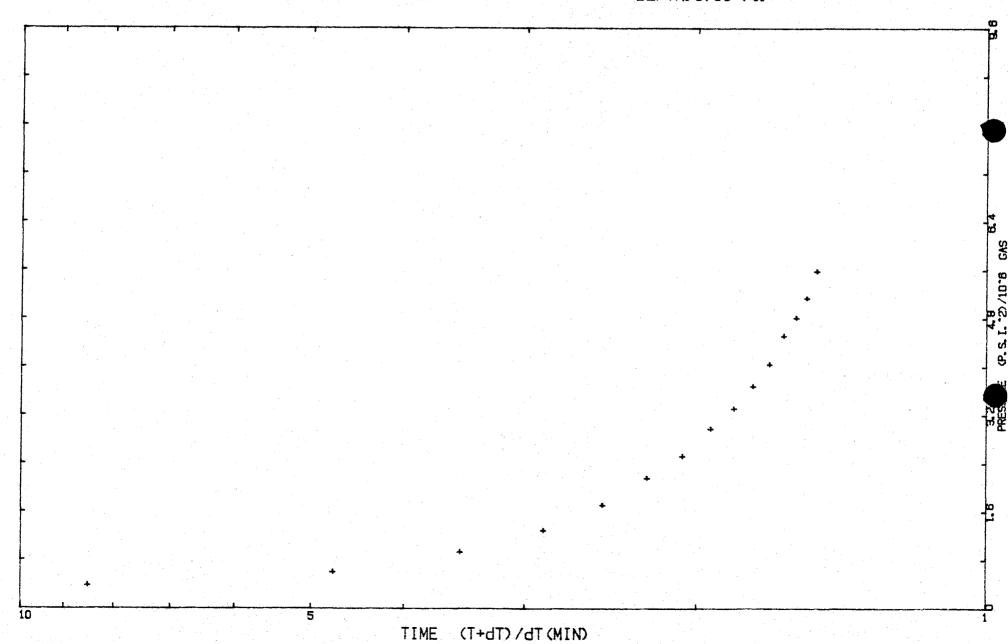
DEPTH: 5795 ft.



OPERATOR: SKYLINE OIL WELL NAME: SPUR #1-34 LOCATION: 1-37S-23E FIRST SHUT-IN RECORDER: 24521

DST #: 3

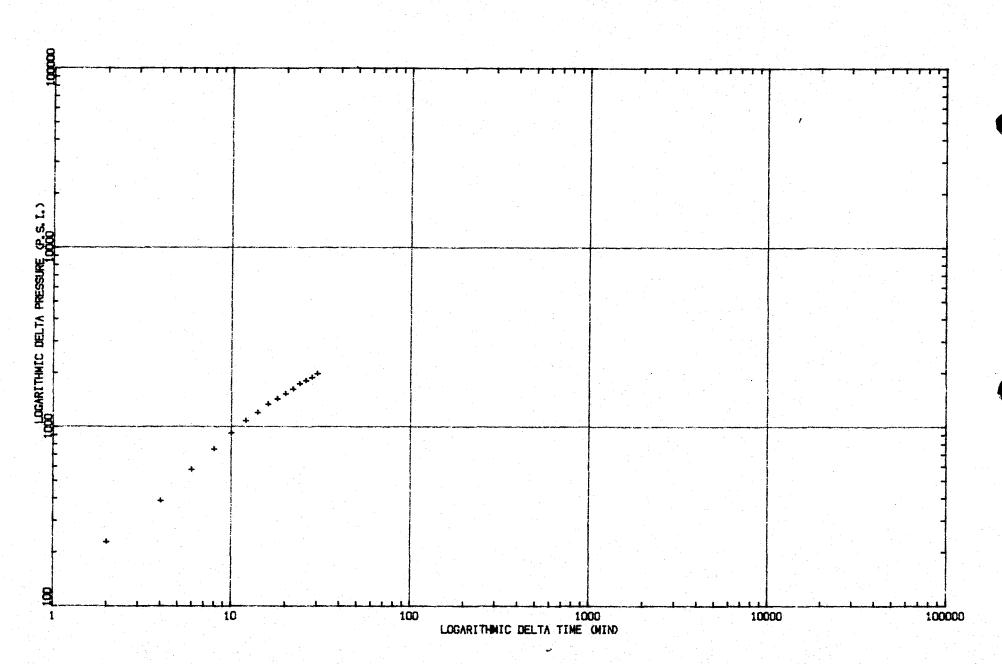
DEPTH. 5795 ft.



OPERATOR: SKYLINE OIL WELL NAME: SPUR #1-34 LOCATION: 1-37S-23E FIRST SHUT-IN RECORDER: 24521

DST ## 3

DEPTH: 5795 ft.



PYLINE OIL DST#: 3 SPUR #1-34 5788 - 6044ft.

Location: 1-375-23E

Test Type: BOTTOM HOLE INFLATE

Formation: HERMOSA

Recorder Number: 24521 Recorder Depth: 5795

SAMPLE DATA

SAMPLE CHAMBER: \*\*\*\*\*\*\*

Sampler contained:

Mud 1500 cc gas & slight oil cut mud

RESISTIVITY DATA:

Top...... 3500 PPM NACL Middle..... 3800 PPM NACL

SKYLINE OIL DST#: 3 SPUR #1-34 5788 - 6044ft.

### GAS MEAUSURMENTS \*\*\*\*\*\*\*\*\*\*

Devic	e: FLOOR	MANIFOLD	Riser:	0.0 in.	Bomb #:
	FLOW #	TIME (min)	READING (psi)	CHOKE (in)	Sent to: Mcf/d
	2	0	3.0	. 250	26.5
	2	5	20.0	. 250	51.5
	2	10	45.0	. 250	88.3
	2	15	55.0	. 250	103.2
	2	20	50.0	. 250	95.7
	2	25	47.0	.250	91.3
	2	30	45.0	. 250	88.3
	2	45	43.0	.250	85 , 4
	2	50	43.0	.250	85.4
	2 2	60	43.0	. 250	85.4
	2	65	42.0	.250	83.9
	2	75	41.0	. 250	82.4
	2	80	40.0	.250	81.0
	2	85	40.0	.250	81.0
	2	95	40.0	.250	81.0
	2	110	40.0	.250	81.0
	2	120	40.0	.250	81.0

KYLINE OIL T#: 3 SPUR #1-34 5788 - 6044ft.

PRESSURE RECORDER NUMBER : 18731

DEPTH: 5795.00ft.

LOCATION : OUTSIDE

TYPE : K-3 CAPACITY: 5125.00psi

PRESSURE

psi

A)Initial Hydro : 3028.0 B)1st Flow Start: 393.0

C)1st Flow End: 387.0

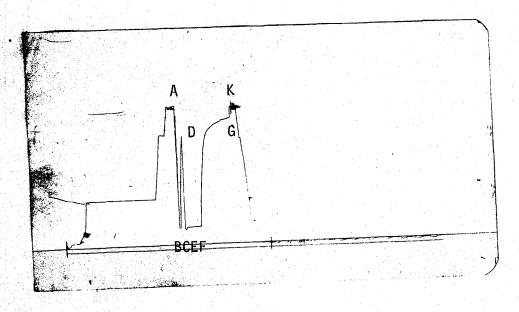
D)END 1st Shutin: 2377.0

E)2nd Flow Start:

F)2nd Flow End : 419.0

G)END 2nd Shutin: 2799.0

Q)Final Hydro. : 3023.0



TEST TIMES (MIN) 1st FLOW : 15

SHUTIN: 30 2nd FLOW :120

SHUTIN:240

# STATE OF UTAH



DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	5. LEASE DESIGNATION AND SERIAL NO.			
Service of Gray and, Airb integrated	1	AND BERIAL NO.		
CULIDAY MOTICES AND DEPOSES OF THE	U-24614 6. IF INDIAN, ALLOTTE	B OF TRING WAVE		
SUNDRY NOTICES AND REPORTS ON WELLS  (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  Use "APPLICATION FOR PERMIT—" for such proposals.)		- OR TRIBE NAME		
OIL GAS OTHER PSA  2. NAME OF OPERATOR	7. UNIT AGREEMENT NA	MB		
Texas Eastern Skyline Oil Company	8. FARM OR LEASE MAI	(3		
3. ADDRESS OF OPERATOR	Spur			
1775 Sherman Street, Suite 1200, Denver, Colorado 80203	9. WELL NO. 1-34			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*  See also space 17 below.)  At surface	10. FIELD AND POOL, O	R WILDCAT		
770' FSL & 1869' FEL (SW SE) Sec. 1, T37S, R23E	11. SEC., T., R., M., OR I SURVEY OF AREA Sec. 1, T375 SLB &M			
14. PERMIT NO. API #43-037-30973  15. SLEVATIONS (Show whether DF, RT, GR, etc.) GL - 5950	12. COUNTY OR PARISH San Juan	Utah		
16. Check Appropriate Box To Indicate Nature of Notice, Report, or O	ther Data			
Manage an elimination of	ENT REPORT OF:			
TEST WATER SHUT-OFF  PULL OR ALTER CASING  FRACTURE TREAT  MULTIPLE COMPLETE  SHOOT OR ACIDIZE  ABANDON*  REPAIR WELL  (Other)  17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, proposed work. If well is directionally drilled, give subsurface locations and measured acts.	REPAIRING W ALTERING CA ABANDONMEN of multiple completion of the c	asing X		
The subject well has been rehabilitated and reseeded as required. Texas Eastern Skyline Oil Company respectfully requests that your conduct an inspection of the subject well and approve the rehabilitation complete.	office			
RECEIVED FEB 0 9 1987				
DIVISION OF OIL GAS & MINING				
18. I hereby certify that the foregoing is true and correct	·			

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

AMENDED REPORT	
(highlight changes)	

	APPLICATION FOR PERMIT TO DRILL							6. SURFACE: Federal
1A. TYPE OF WO	1A. TYPE OF WORK: DRILL REENTER . DEEPEN							TRIBE NAME:
B. TYPE OF WE	LL: OIL 🗌 GAS 🗹	OTHER	SIA	IGLE ZONE	MULTIPLE ZON	F	n/a 8. UNIT or CA AGREEMENT	NAME:
				- CONE			9. WELL NAME and NUMBER	
2. NAME OF OPE	st Operating						Skyline Spur 1-34	=
3. ADDRESS OF	OPERATOR:				PHONE NUMBER:		10. FIELD AND POOL, OR W	ILDCAT:
	ns Airpark Ln Midlar	nd	TX 79	705	(432) 818-0300		Pennsylvanian /	under mate (
	WELL (FOOTAGES)	6448417	<b>x</b> 3	7.594	127	ĺ	MERIDIAN	WNSHIP, RANGE,
	767' FSL x 1864' FEL	41418	soy	-109	336660	-	SWSB 1 379	S 23E
AT PROPOSED	PRODUCING ZONE: Same		•	• • •	· > V 4 Q O	ļ		
14. DISTANCE IN	MILES AND DIRECTION FROM NEAR	REST TOWN OR P	OST OFFICE:		· · · · · · · · · · · · · · · · · · ·		12. COUNTY:	13. STATE:
8 miles E	ast by Southeast from E	Blanding, Ut	ah				San Juan	UTAH
15. DISTANCE TO	NEAREST PROPERTY OR LEASE L	INE (FEET)	16. NUMBER C	F ACRES IN LEA	ASE:	17. NU	JMBER OF ACRES ASSIGNED	TO THIS WELL:
770'					799	l		160
18. DISTANCE TO	NEAREST WELL (DRILLING, COMPI R) ON THIS LEASE (FEET)	LETED, OR	19. PROPOSE	DEPTH:	· · · · · · · · · · · · · · · · · · ·	20. BC	OND DESCRIPTION:	·
none	,,				6,415	RL	.B0007554	
	(SHOW WHETHER DF, RT, GR, ETC.	):		ATE DATE WOR	K WILL START:	1	STIMATED DURATION:	
5937' GL			2/26/200	07		60	days	
24		DBODO:	SED CASING A	ND CEMEN	ITING PROGRAM			
24.	CANDING SIZE OBARE AND MEIO			T CEMEN				
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIG	HI PER FOOT	SETTING DEPTH			ANIIIY,	YIELD, AND SLURRY WEIGHT	
				see attac	hed details		· · · · · · · · · · · · · · · · · · ·	
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<del></del>				<u> </u>	<del></del>		·····	
25.			ATTA	CHMENTS				
VERIFY THE FOL	LOWING ARE ATTACHED IN ACCORI	DANCE WITH THE	UTAH OIL AND GAS C	ONSERVATION	GENERAL RULES:			<del></del>
("Z")				1 🚾				
WELL PL	AT OR MAP PREPARED BY LICENSE	SURVEYOR OR	ENGINEER	COMPLETE DRILLING PLAN				
EVIDENC	E OF DIVISION OF WATER RIGHTS A	PPROVAL FOR U	SE OF WATER	☐ FO	RM 5, IF OPERATOR IS PE	RSON O	R COMPANY OTHER THAN T	HE LEASE OWNER
····							***************************************	
	Pohert P Griffee				Operations Ma		r agent for Crown(	Dunat
NAME (PLEASE F	Robert R. Griffee			TITL	E Operations ivia	ıııaye	r, agent for Crown(	Anesi
SIGNATURE	Kobo R. C			DAT	2/28/2007		<u> </u>	
This space for Stat	use only)	7		Anana	and beat			
				Theh I	ved by the Division of		DEOF	11/5
	1/2250	210-	77 (			ı	RECE	IVED
API NUMBER ASS	IIGNED: 43-03-7	-309-	<u>0</u>	APPROVAL	and Mining		MAR 0.7	2007
	1			_				2001
				~~	12 V V		DB/ case	

(11/2001)

Federal Approval of this Action is Nacessary

DIV. OF OIL, GAS & MINING

### UTAH WELL LUCATION PLAT

OPÉRATOR	Crown	Quest Op	ing			·•	<del></del> 1		_	
LEASE	Skyline	e Spur				WELL NO.	1-3	4	_	
SECTION	1	TOWN:	SHIP3	7 South	_RANGE	23 Ea	st	6th, P.M.		
COUNTY	San J	ייי			UTAH .					
FOOTAGE L	OCATION OF	WELL: _	767.27	FEET FROM	THE .	South	_LINE ar	nd		
		-	1864.21	FEET FROM	I THE	East	_LINE ar	nd		
GROUND LE	EVEL ELEVAT	10N:	5937.02							
SURFACE L	JSE WITHIN 2	200' RADIUS:	<u>N</u>	o Improveme	nts Withir	n 200'				7
BASIS OF E	BEARING:	GPS Data		<del></del>		· · · · · · · · · · · · · · · · · · ·			_ L	500' 500'
BASIS OF E	ELEVATION:	GPS_D	ata — NAD	83 - PODP	#4				_	1" = 1000'
Some infor	mation on t	this plat is bo	ased on info	rmation take	n from p	revious su	irveys, re	ecord		GLO BC (1912)
information	i, or collatoi soundary sur	ral evidence o vey. This plo	ind may no it is not to	reflect that be relied on	which m for the	iay be dis establishn	closed b nent of	y a surface	<b>(W)</b>	WELL Location
boundaries,	fences, bu	ildings, or oth	ner future in	nprovements.		BC 1				STONE Marked
						T3: 36	31 \		lack	ALUMINUM CAP
						1 R2	6 3E			
	<del></del>							l hereby ce	rtify tha	t the proposed
	!	•			1			well location	n shown ed from	on this plat field notes of an
	·				1			actual surv	ey by m	e or under my It the same is
	1				1			true and co	orrect to	the best of my f, and that there
-				•	į		.29	are no visit	ole impro	vements within oposed wellhead,
	+-		+		- + <i>-</i> -		1 5286.29	unless note		
	į				1		"			
					1				and the same	FESSION
					1			\$/	\$ 8KG	OF ESSIONAL SURVEYOR N.D. WAYNE
	. 1				1		(Field)		N / S	0. 171252 \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
		Sec	tion 1				(Fie	= )8	🗄 🗸 Johi	N D. WAYAIF / 5
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					į			<u>ئ</u> 	5 4/1	OF UV
a manufactura de la companya de la c	1				1 }		≽			
	1									70
	_ <del> + -</del>		N=37.	594194	1		01.14'27"	Jóhn D.	Wayne	199
	1	1'	IAD83   W=109	.33/342	1 1 1864	321'	O	Profess	ional L.	S. #171252
	1	BC 1				BC 19		State o	of Utah	
	<b> </b> 	T3	) !	.27'	 	T37	6 \		RY 16,	
	į	1: R2	· / 🚍	767	1	12   R23		Date Si	•	
			N 8	9°44'31" E	(Field)	2647.9	93' 🕶	JANUAI Date Pl	RY 22, latted:	2007

### WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/07/2007 (R-entry)	API NO. ASSIGNED: 43-037-30973
WELL NAME: SKYLINE SPUR 1-34	
OPERATOR: CROWNQUEST OPERATING, ( N2685 )	PHONE NUMBER: 432-818-0300
CONTACT: ROBERT GRIFFEE	· · · · · · · · · · · · · · · · · · ·
PROPOSED LOCATION:	INSPECT LOCATN BY: / /
SWSE 01 370S 230E SURFACE: 0767 FSL 1864 FEL	Tech Review Initials Date
BOTTOM: 0767 FSL 1864 FEL	Engineering
COUNTY: SAN JUAN	Geology
LATITUDE: 37.59413 LONGITUDE: -109.3367 UTM SURF EASTINGS: 646847 NORTHINGS: 41618	Surface
FIELD NAME: UNDESIGNATED ( 2	
LEASE TYPE: 1 - Federal  LEASE NUMBER: UTU 85245  SURFACE OWNER: 1 - Federal	PROPOSED FORMATION: PRDX COALBED METHANE WELL? NO
RECEIVED AND/OR REVIEWED:	LOCATION AND SITING:
√ Plat	R649-2-3.
Bond: Fed[1] Ind[] Sta[] Fee[]	K049-2-3.
(No. RLB0007554 )	Unit:
Potash (Y/N)	✓ R649-3-2. General
Oil Shale 190-5 (B) or 190-3 or 190-13	Siting: 460 From Qtr/Qtr & 920' Between Wells
Water Permit	R649-3-3. Exception
(No. MUNICIPAL )	Drilling Unit
RDCC Review (Y/N)	Board Cause No:
(Date:)	Eff Date:
M Fee Surf Agreement (Y/N)	Siting:
Intent to Commingle (Y/N)	R649-3-11. Directional Drill
COMMENTS:	
STIPULATIONS: 1- College Copyron	
2 Space (She	

and the same of the same of the		The last term of the la		
				GNR 31-14 BRONCO FED
	T36S R23E			T36S R24E
	T37S R23E	BRONCO F	IELD	T37S R24E
		SKYLINE SPUR 1-34 SKYLINE SPUR 1-34		
	V-MAX FEDERAL #1			
OPERATOR: CROWNQUES	T OPER (N2685)		1	
SEC: 1 T.37S R. 23E				~
FIELD: UNDESIGNATED (00	02)		**	1
COUNTY: SAN JUAN			-	
SPACING: R649-3-2 / GENER	AL SITING	Wells Status		
Field Status  ABANDONED  ACTIVE COMBINED INACTIVE PROPOSED STORAGE TERMINATED	Unit Status  EXPLORATORY GAS STORAGE NF PP OIL NF SECONDARY PENDING PI OIL PP GAS PP GEOTHERML PP OIL SECONDARY TERMINATED	GAS INJECTION GAS STORAGE LOCATION ABANDONED NEW LOCATION PLUGGED & ABANDONED PRODUCING GAS PRODUCING OIL SHUT-IN GAS SHUT-IN OIL TEMP. ABANDONED TEST WELL WATER INJECTION WATER SUPPLY WWATER DISPOSAL DRILLING	PREPARI	ED BY: DIANA MASON

### Re-Entry Plan

Well Name:

Skyline Spur 1-34

Surface Location:

767' FSL x 1864' FEL, Section 1, T37S, R23E

San Juan County, Utah

Target Formation: Pennsylvanian

Elevation:

5937' GL

### Geology:

Formation	Тор	Probable Content
Morrison Entrada Ss Navajo Ss Chinle Fm De Chelly Ss (top of Permain) Honaker Trail (top of Penn) Upper Ismay Desert Creek Paradox Salt	Surface 1030' 1240' 2200' 2164' 4200' 6068' 6278' 6415'	potential fresh water potential fresh water vari-color shale brackish water potential gas, brine gas/oil/brine gas/oil/brine gas/oil/brine
TD	6415'	

Logging Program:

Open hole logs have already been obtained and submitted. Cased hole

neutron log to be run after setting 5 1/2" casing.

### Clean-out Fluid Program:

Interval	Fluid Type	Weight	Viscosity	Fluid Loss
0' - 2198'	fresh water	8.4 ppg	n/a	no control
2198' - 6415	production brine/polymer	9.2 ppg	$30 - 80 \sec$	10

### Casing Program:

Interval	Hole Diameter	Csg Size	Wt.	Grade Thread
Conductor -	- Installed 1984			
0' - 60'	17 1/2"	14"		
Surface - In	istalled 1/16/84		_	
0'-2198'	12 1/4"	9 5/8"	36 ppf	K-55 STC
Production				7.110 Y FRO
0'-6415'	8 3/4"	5 1/2"	17 ppf	P110 LTC

**Tubing Program:** 0 - 6315', 2 3/8", 4.7 ppf, J55, EUE

### BOPE and Wellhead Specifications and Testing:

For clean-out operations from surface to TD: 9 5/8", 3000 psi weld on casing head. 11", 3000 psi double gate BOP. 3000 psi choke manifold. (see figures 1 and 2). Pressure test BOPE to 3000 psi and 9 5/8" Surface casing head to 1500 psi prior to drilling out of casing shoe.

For completion operations: 5 1/2" x 2 3/8", 5000 psi tree assembly. 7 1/16", 5000 psi double gate BOP system. 5000 psi choke manifold (see figures 3 and 4). Pressure test 5 ½" casing to 5000 psi prior to frac'ing. The 5000 psi pressure rating is for possible frac treatment pressures and is far in excess of 3000 psi BOP equipment required to control anticipated formation pressure.

### General Operation:

- Actuate pipe rams once each day during clean-out operations. Actuate blind rams once each trip.
- An upper Kelly cock valve, with handle, will be available on the rig floor to fit each drilling string.
- BOP pit level drill will be conducted weekly for each drilling crew.
- All BOP tests and drills will be recorded in the daily drilling report.
- Blind and pipe rams will be equipped with extension hand wheels.

### Cementing Program:

14" Conductor Casing String: already installed and cemented.

9 5/8" Surface Casing String: already installed and cemented.

5 ½" Production Casing String: Run casing with float shoe on bottom, float collar one joint from bottom. Install one centralizer in the middle of the first joint, one on every other collar from TD to the top of the Honaker Trail formation, and one inside the surface casing shoe. Cement with 500 sks 65/35 poz + 6% gel + 0.25 #sk D130 + 18% D44 + .3% D167 + .15% D65A + 5 #sk D24 (12.4 ppg, 1.93 cf/sk) followed by 500 sks 25/75 poz + 0.3% D65 + 0.15% D65 + 10% D44BWOW + 0.35% retarder (13.8 ppg, 1.47 cf/sk. Top of cement calculated to be at 1198'.

### Special Clean-out Operations:

None anticipated

### Additional Information:

This well is designed to be completed in the Pennsylvanian formations, based on casedhole logs.

A fresh water pressure gradient (.433 psi/ft) is anticipated. Adequate weighting material will be kept on location to maintain mud weight.

LCM will be added to the mud system as required to maintain circulation.

Estimated formation pressures:

Ismay

2627 psi

Desert Creek

2718 psi

### Completion Information:

The completion procedure will be prepared after cased hole logs are analyzed. The well will probably be completed by frac treatment.

Prepared by: Robert R. Griffee

Operations Manager Agent for CrownQuest

Date:

1/31/07

### Skyline Spur 1-34 Re-Entry Procedure

Prepared by: Robert R. Griffee
Operations Manager
1/31/07

### Notes:

• 3000 psi BOP equipment is selected to drill out the cement plugs. Calculated maximum formation pressure is 2718 psi at 6278' ft, or a pressure gradient of 0.433 psi/ft.

• 5000 psi BOP equipment is selected for completion work based on possible flow back pressures after acidizing or hydraulic fracture treatments and not from expected formation pressure.

• Surface casing is set at 2198'. 9 5/8", 36 ppf, K55. YP = 3520 psi. Cemented to surface.

### **Procedure**

- 1. Construct location using original disturbed area. Construct reserve pit and line. Dig out around dry hole marker. Remove marker. Construct and install cellar. Set rig anchors and test.
- 2. MIRU well service rig and equipment.
- 3. Weld on 9 5/8", 3000 psi casing head. Install 11", 3000 psi double gate BOPE and choke manifold.
- 4. PU 8 3/4" mill tooth bit, eight 4 3/4" dc's, and 2 7/8" work string. Drill out cement plugs from surface to 100'. Use production brine for fluid. Clean out to cement plug at 2100'.
- 5. TOH.
- 6. Install test plug in casing head and pressure test casing head and BOPE to 3000 psi.
- 7. Pressure test 9 5/8" casing to 3000 psi.
- 8. TIH with bit and dc's and drill cement plugs from and 2100' 2270'. Clean out open hole to 5664' using fresh water, polymer, and gel fluid system. Drill out cement plugs from 5664' 5879', 6044' 6140', and 6162' 6410'. Clean out to TD of 6415'.
- 9. Circulate well clean and stabilize well bore.
- 10. TOH.
- 11. RU and run 5 ½", 17 ppf, P-110, LTC casing. Install float shoe on bottom and float collar one joint from bottom. Centralize with 1 centralizer per casing collar from TD to 4100', and one centralizer at 2078' (inside surface casing). Land casing in full tension.
- 12. Cement as follows: 500 sks 65/35 poz + 6% gel + 0.25 #/sk D130 + 18% D44 + .3% D167 + .15% D65A + 5 #/sk D24 (12.4 ppg, 1.93 cf/sk) followed by 500 sks 25/75 poz + 0.3% D65 + 0.15% D65 + 10% D44BWOW + 0.35% retarder (13.8

ppg, 1.47 cf/sk). Slurry volumes designed to bring cement 1000' up into 9 5/8" casing. Calculations based on 70% excess over open hole volume.

13. WOC 72 hours or as indicated by pilot testing, for cement to achieve full

compressive strength.

14. While WOC, ND 11", 3000 psi BOP. NU 9 5/8", 3000 psi x 7 1/16", 5000 psi casing head. NU 7 1/16", 5000 psi BOP.

15. Pressure test casing and BOP to 5000 psi.

16. PU bit. TIH and clean out to PBTD of 6370' +/-. Circulate casing clear. TOH.

17. TIH to PBTD with casing scraper.

- 18. Load casing with 4% KCL water. Insure that all additional load water is 4% KCL.
- 19. TOH.

20. Run cased-hole logs and evaluate.

- 21. Select completion interval based on cased-hole logs. Completion may be accomplished by acidizing and/or frac (to be determined). Potential completion possibilities are of Pennsylvanian age from 5688' (top of Akah) to 4000' (mid Cutler).
- 22. After completing, evaluate zones.

### Skyline Spur 1-34 Thirteen Point Surface Use Plan

### 1) Existing Roads

a) The proposed route to the location is shown on the attached Topographical Map.

b) The well pad is located approximately 15 miles South, Southeast of

Blanding Utah.

c) If necessary, an encroachment permit will be obtained from San Juan County, Utah for use of the existing county roads (CR #206 & CR #204). Approximately 10 miles of CR #206 and 5 miles of CR #204 will be used to access the well site.

### 2) Access Road

- a) .5 mile of unnumbered flat bladed road joins CR #204 and provides access to the well site.
- b) No cattle guards will be required.
- c) There are no existing roads outside the lease or unit boundary for which a BLM right-of-way is required.

### b) Location of existing wells

See attached Topographical Map for the location of existing wells in the area of this proposed well site.

### c) Location of Production Facilities

- a. In the event the well is brought to production, necessary production equipment will be determined and a diagram will be submitted showing the layout of such equipment on the location site.
- b. Off-site facilities: No off-site facilities are required.
- c. Pipelines: Pipeline plat is attached.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Juniper Green.

All site security guidelines identified in 43 CFR 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

If a gas meter run is constructed it will be located on the lease within 500 feet of the well head. The gas flow line will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and /or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined production water pit as specified. If water is produced from the well an OOGO #7 application must be submitted.

### d) Location and Type of Water Supply

All water needed for drilling and completion purposes will be obtained from the City of Blanding, Utah (NW 1/4, Section 27, T36S, R22E.).

### e) Source of Construction Material

It is not anticipated that additional construction materials will be required for construction of the well pad, pit, and access road for drilling operations. Gravel and rock for upgrading the access roads to Class III Standards will be obtained from a private source, if needed. If additional materials are required, they will be obtained from a private source. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

### f) Methods of Handling Waste Water Disposal

All garbage and trash materials will be contained in a trash cage and removed from the site for proper disposal as necessary, but no later than at the conclusion of drilling operations. Portable toilets will be provided and serviced appropriately.

The first 6 inches of top soil will be removed, stockpiled along the Northern edge of the well pad and reserved for reclamation. The drill pad is approximately 200' x 300'. The reserve pit will be reopened in the Southeast corner of the drill pad and will be approximately 150' x 75' x 10' with 3:1 slopes. Upon the reopening of the reserve pit, an inspection will be made to determine if adequate quantities of native bentonite are present in the pit to provide an effective seal. If it is determined the levels of bentonite are inadequate, the pit will be lined. Three sides of the reserve pit will be fenced prior to drilling operations and the fourth side of the pit will be fenced when drilling operations cease. The fence will be constructed using 32" woven wire topped with two smooth wire strands 4" and

16" above the woven wire. Steel T-posts will be set 16.5' apart and two stays will be used between the posts. Corner posts will be 6" or more and anchored with deadmen. The fence will be kept in repair while the pit dries. It is anticipated 4-7 days will be needed to re-establish the well pad, reserve pit.. No new surface disturbance is anticipated. The reserve pit is located in the cut, with 50% of the pit volume being below the original ground level. Wildlife protection, consisting of appropriate netting, will be used to cover the reserve pit.

### g) Ancillary Facilities

N/A

h) Well Site Layout

All existing wells in the vicinity of this well pad are shown on the attached Topographical Map. Access to the well pad will be shown on the Topographical Map.

### i) Plans for Restoration of the Surface

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on the north side of the pad.

Immediately upon completion of drilling, all equipment that is not necessary for production will be removed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfaces will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Oct. 1 and Feb. 28, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used: 3 Indian ricegrass, 2 4wing, 2 Gallefa grass, 2 Mexican cliffrose, 1 Sand dropseed.

In the event the well is abandoned an abandonment marker will be place below ground level. The marker will supply the operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

### 11) Surface and Mineral Ownership

Both the surface and the minerals are owned by the BLM.

### 12) Other Information

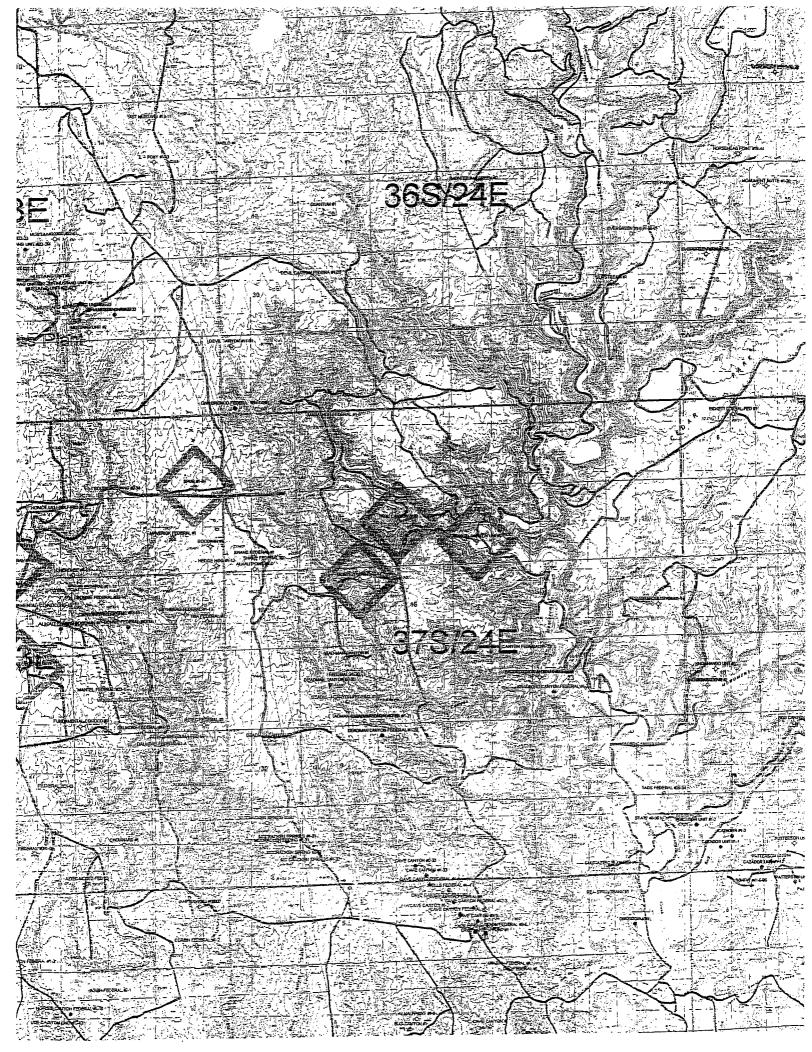
a) Archaeological Concerns: See archaeological report

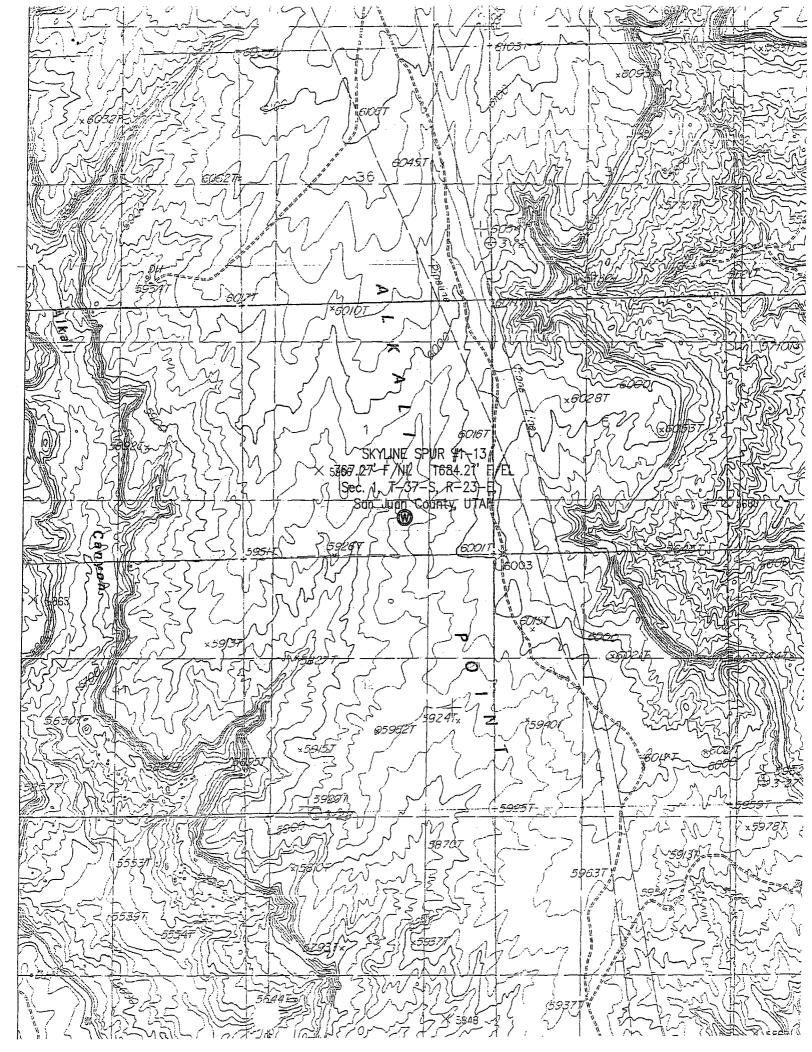
The operator is responsible for informing all persons in the area who are associated with this project that they will be prosecuted for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and will contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

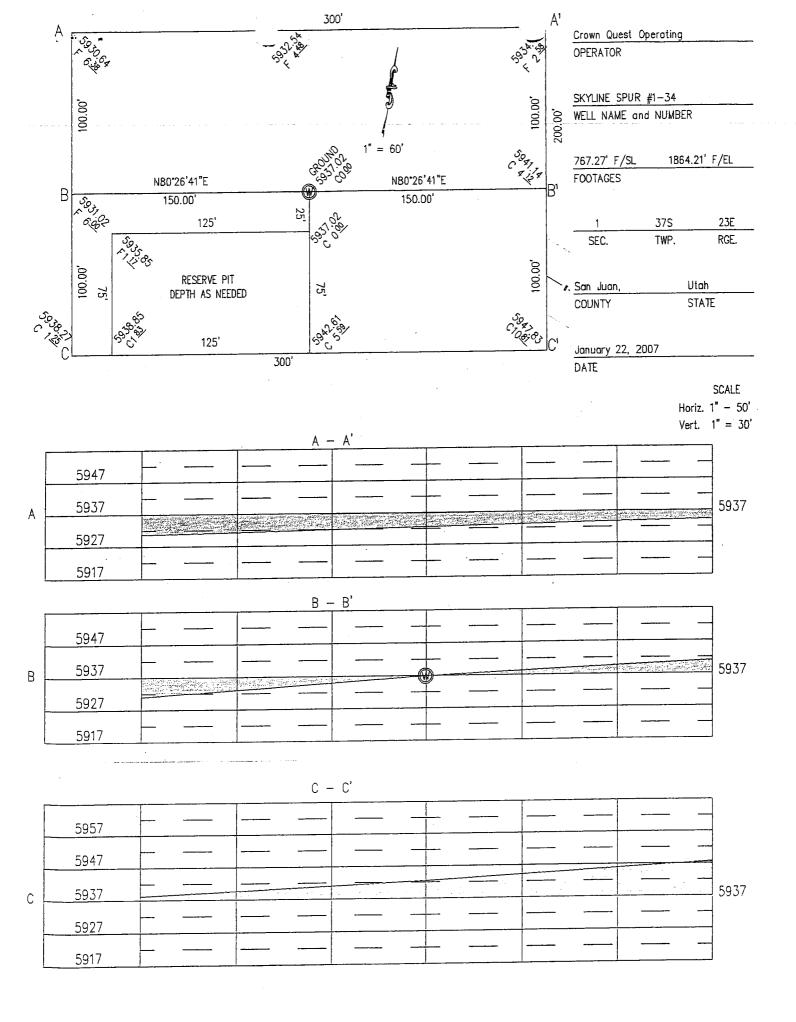
- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that the mitigation is appropriate.
- If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide the technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will be allowed to resume construction.
- b) Threatened and Endangered Species Concerns: No known concerns.
- c) Wildlife Seasonal Restrictions (yes/no): Deer Winter Range December 15 April 30.
- d) Off Location Geophysical Testing: N/A
- e) Drainage crossing that require additional State or Federal approval: N/A
- f) Other: Anticipated spud date, March 1, 2007.

hert R Griffee

Robert R. Griffee Operations Engineer February 1, 2007







SKILINE SPUK #1-34 PROPOSED PIPELINE & ACCESS RD

START

. 0+00 SKYLINE SPUR #1-34 157.42 79 41 43 SE SS1 1+59.42 SS-1 157.64 SE 67 50 24 SS2 3+17.06 SS-2 SE 12 28 19 459.04

SS3 7+76.10 SS-3

11 51 21 233.37 SE

SS4 10+09.47 SS-4 EOL @ SECTION LINE

SS-4 STA: 19+94.64 EOL @ C.R. 206 SECTION 1, T37S, R23E

SECTION 12, T37S, R23E

Some information on this plat is based on information taken from previous surveys, record information. or collateral evidence an may not reflect that which may be disclosed by a complete boundary survey. This plat is not to be relied on for the establishment of surface boundaries, fences, buildings or other future improvements.

SKYLINE SPUR #1-34

100', 100' 1" = 200'

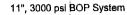
REVISED DATE:

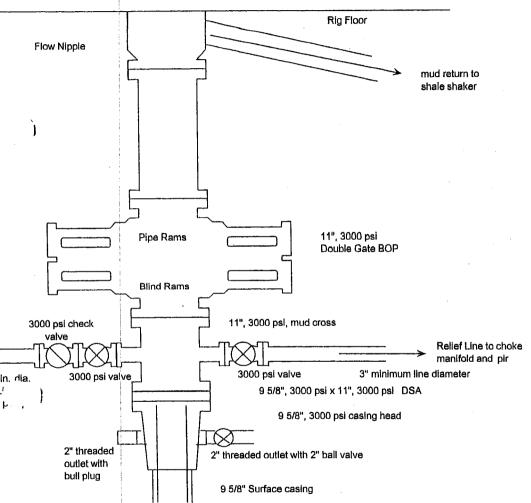
John D. Wayne Professional Surveyor Utah Reg. No. 171252

DRAWING NO: 00845SPUR1D

i									D10/1111110 1101 0	5 5 7 5 5 7 5 7 7 7 7 7 7 7 7 7 7 7 7 7
<del></del>			·	1		LENGTH		10050	CROWN QUE	ST OPERATING
SEC.	TWP.	RGE.	1/4 SEC.	WIDTH	FEET	RODS	MILES	ACRES		INE & ACCESS RD.
1	37S	23E	SE1/4	40'	1009.47	61.18	0.19	0.93		SPUR #1-34 , R-23-E, S.L.B.M.
									San Juan	County, Utah
	TOTALS				1009.47	61.18	0.19	0.93	SCALE: 1"=200'	DATE: 01/22/07

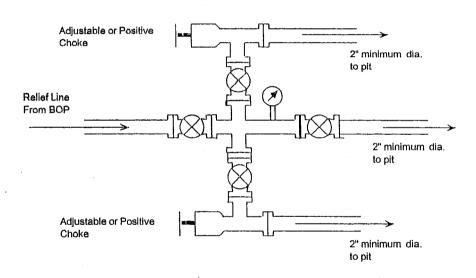
Figure 1





BOP Installation from Surface Casing depth (2198') to TD (6415'). 11", 3000 psi double gate BOP equipped with blind and pipe rams, 9 5/8" Annular BOP. All equipment rated at 3000 psi or greater working pressure.

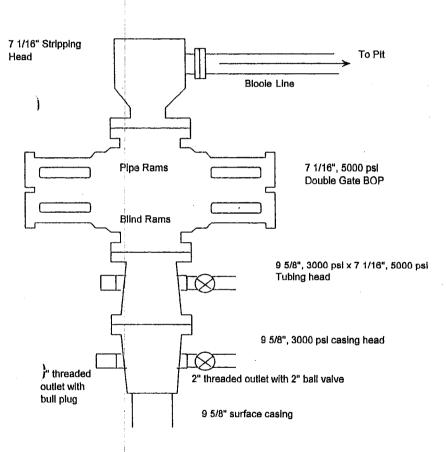
Figure 2



Choke manifold for BOP system shown in Figure 3. All equipment to be rated at 3000 psi or greater.

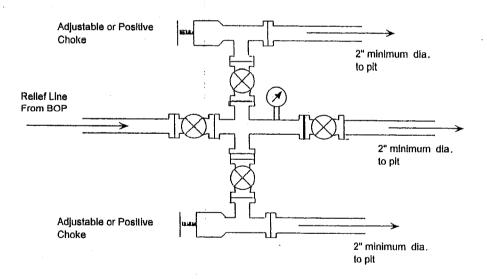
gure 3

7 1/16", 5000 psi Completion Rig BOP System

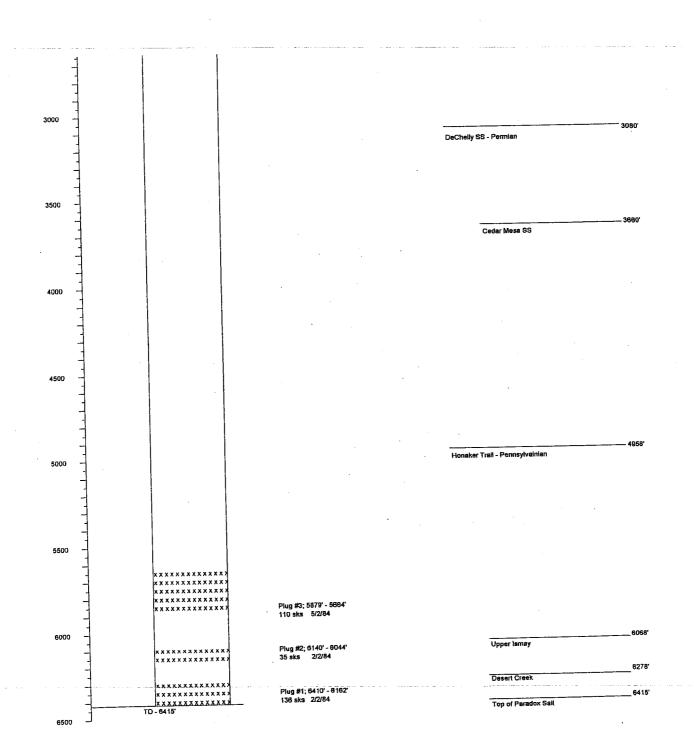


BOP Installation for Completion operations. 7 1/16", 5000 psi double gate BOP equipped with blind and pipe rams. All equipment rated at 5000 psi or greater working pressure.

Figure 4



Choke manifold for BOP system shown in Figure 3. All equipment to be rated at 5000 psi or greater.





# State of Utah

# Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

> GARY R. HERBERT Lieutenant Governor

> > March 12, 2007

CrownQuest Operating 303 Veterans Airpark Ln. Midland, TX 79705

Re: Skyline Spur 1-34 Well, 767' FSL, 1864' FEL, SW SE, Sec. 1, T. 37 South, R. 23 East, San Juan County, Utah

### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-037-30973.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc: San Juan County Assessor

Bureau of Land Management, Moab District Office

Operator:	CrownQuest Operating				
Well Name & Number	Skyline Spur 1-34				
API Number:	43-037-30973				
Lease:	UTU 85245				
Location: SW SE	Sec1_	<b>T.</b> <u>37 South</u>	R. 23 East		

## **Conditions of Approval**

### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

# 2. Notification Requirements

Notify the Division with 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

## 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

3/20/07

Form 3160-3 (August 1999)

### **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

R	RECEIV	ED -	
MOAB	FIELD	OFFICE	

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

5.	Lease	Serial	N
U7	TU-85	245	

2001 FEB -5 P 2: 山立

APPLICATION FOR PERMIT TO	n/a	ioe Name				
Ia. Type of Work: DRILL RE	ENTER	1		7. If Unit or CA Agreemen	nt, Name and No.	
				8. Lease Name and Well N	₹o.	
1b. Type of Well: Oil Well Gas Well Other	□ s	ingle Zone 🔲 Multi	iple Zone	Skyline Spur 1	1-34	
2. Name of Operator  CrownQuest Operating				9. API Well No. 43 037 30973		
3a. Address	3b. Phone No	o. (include area code)		10. Field and Pool, or Explo	oratory	
303 Veterans Airpark Lane, Ste. 5100, Midland TX 79705		Pennsylvanian				
4. Location of Well (Report location clearly and in accordance		irements. *)		1 1. Sec., T., R., M., or 131k	and Survey or Area	
At surface 767' FSL x 1864' FEL				Section 1, T37S,	R23E	
At proposed prod. zone same				10. Contract Desire	13. State	
14. Distance in miles and direction from nearest town or post office 8 miles east by southeast from Blanding, Ut	æ* eh			12. County or Parish San Juan	Utah	
		Acres in lease	17 Specia	g Unit dedicated to this well	Otan	
15. Distance from proposed* location to nearest property or lease line, ft.	799.00	Acres in lease	-	60		
(Also to nearest drig. unit line, if any)  18. Distance from proposed location*  to nearest well, drilling, completed, applied for, on this lease, ft.		25,230		A/BIA Bond No. on file  RLR 0007554 UTB 000 218		
	6415'		<del></del>	23. Estimated duration		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	••	imate date work will sta /26/07	nr.	60 days		
5937' GL	— ·	chments drilling p	lan, surfac	•		
The following, completed in accordance with the requirements of C	Inshore Oil and Gas	Order No. 1, shall be at	tached to this	form:		
<ol> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan.</li> <li>A Surface Use Plan (if the location is on National Forest Sy SUPO shall be filed with the appropriate Forest Service Office)</li> </ol>	stem Lands, the	Item 20 above). 5. Operator certific	ation.	sunless covered by an existi rmation and/or plans as ma		
25. Signature	Name	⊖ (PrintedITyped)	<del></del>	Date		
Rotale Of	Rob	ert R. Griffee		0	1/31 /07	
Title						
Operations Manager, agent for CrownQuest		· · · · · · · · · · · · · · · · · · ·		Date	<u> </u>	
Approved by (Signature)	Nam	e (PrintedITyped)		Dau	2/2/10	

Assistant Field Manager, Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant conduct

operations thereon. Conditions of approval, if any, are attached.

13/ 11, 11 1 mm

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office

\*(Instructions on reverse)

Title

# CONDITIONS OF APPROVAL ATTACHED

RECEIVED

Division of Resources

MAR 2 3 2007

DIV. OF OIL, GAS & MINING

# UTAH WELL LOCATION PLAT

OPERATORCr	own Quest Operating				
LEASE Sk	cyline Spur		WELL NO.	1-34	
SECTION	1TOWNSHIP	37 South RA	NGE <u>23 East</u>	6th, P.M.	
COUNTY Sa	an Juan	UT/	HA		
FOOTAGE LOCATION	1 OF WELL:	7.27 FEET FROM THE	South LIN	IE and	
	186	64.21 FEET FROM THE	<u>East</u> LIN	IE and	Ţ
GROUND LEVEL ELE	EVATION:5937	7.02		÷	
SURFACE USE WITH	IIN 200' RADIUS:	No Improvements V	Vithin 200'		٦
BASIS OF BEARING:	GPS Data			· · · · · · · · · · · · · · · · · · ·	500', 500'
BASIS OF ELEVATION	N: <u>GPS Data -</u>	NAD 83 - PODP #4	<del></del>		1" = 1000'
Some information of	on this plat is based o	on information taken fro	m previous survey	s, record	GLO BC (1912)
complete boundary	survey. This plat is a	ay not reflect that which not to be relied on for	the establishment	of surface	WELL Location
boundaries, fences,	buildings, or other fu	ture improvements.	BC 1919		STONE Marked
			T37S 36 31	· · · · · · · · · · · · · · · · · · ·	ALUMINUM CAP
			1 6 R23E	<b>1</b>	
	               			well location was prepared actual survey supervision, a true and correspond knowledge and are no visible	fy that the proposed shown on this plat from field notes of an by me or under my nd that the same is ect to the best of my d belief, and that there improvements within his proposed wellhead, otherwise.
	Section	1		(Field)	No. 171252 JOHN D. WAYNE
	NAD83 BC 1919 T37S 1 12 R23E	N 89*44'31" E (Fie	864321'  BC 1919  T37S $\frac{1 \mid 6}{12 \mid 7}$ R23E  d) 2647.93'  = 1000'	Date Sur	nal L.S. #171252 Utah ( 16, 2007 veyed: ( 22, 2007

CrownQuest Operating LLC **Skyline Spur #1-34** Lease UTU-85245 SW/SE Section 1, T37S, R23E San Juan County, Utah

A COMPLETE COPY OF THIS APPROVED PERMIT AND CONDITIONS OF APPROVAL shall be maintained on location during all construction and drilling operations, and shall be available to contractors to ensure compliance.

### **CONDITIONS OF APPROVAL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that CrownQuest Operating, LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by **UTB000218** (Principal - CrownQuest Operating, LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. Failure to comply with the provisions of this permit, including applicable regulations, stipulations, and/or approval conditions, will be considered a violation subject to the enforcement provisions of 43 CFR Subpart 3163.

### A. DRILLING PROGRAM

- 1. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
- 2. The proposed well control equipment, 3M equipment in a 2M configuration, is appropriate for anticipated conditions. For clarification, the proposed choke manifold configuration, with only a 2-inch minimum blow-down line (straight line through the choke manifold), warrants a 2M rating.
- 3. Drilling reports, which describe the activities of each day, shall be submitted to the BLM Moab Field Office on a weekly, or more frequent, basis. In addition to a daily summary of activities, drilling reports shall include the drilling fluid weight, details of casing and cement, water flows, lost circulation zones and any other information that would contribute to our understanding of drilling conditions.

# B. <u>SURFACE</u>

No additional conditions of approval.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

<u>Building Location</u>- Contact the BLM Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

<u>Spud</u>- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

<u>Daily Drilling Reports</u>- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

<u>Sundry Notices</u>- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

<u>Drilling Suspensions</u>-Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

<u>Undesirable Events</u>- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

<u>Cultural Resources</u>- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Monticello Field Office is to be notified.

<u>First Production</u>- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled through the Monticello Field Office as soon as the productivity of the well is apparent.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion or Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

<u>Venting/Flaring of Gas</u>- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

<u>Produced Water</u>- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

<u>Plugging and Abandonment</u>- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will be approved when the Monticello Field Office determines that surface reclamation work has successfully restored desirable vegetation.

## TABLE 1

### **NOTIFICATIONS**

Notify Jeff Brown (435-587-1525) of the BLM, Monticello Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spud;

3 hours prior to testing BOP

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact:

Eric Jones, Petroleum Engineer

Office: (435) 259-2117

Home: (435) 259-2214



STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

DEPARTMENT OF OUR CASE AND MINING



FORM 9

DIVISION OF OIL, GAS AND MINING	UTU 85245
SUNDRY NOTICES AND REPORTS ON W	ELLS 6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such pro	depth, reenter plugged wells, or to posals.  7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL GAS WELL OTHER  2. NAME OF OPERATOR:	8. WELL NAME and NUMBER: Skyline Spur 1-34
CrownQuest Operating, LLC  3. ADDRESS OF OPERATOR: P. O. Box 2221  CITY Farmington  STATE NM  ZIP 87401	9. API NUMBER: 4303730973 PHONE NUMBER: (505) 327-5750  10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 767' FSL x 1864' FEL  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 1 37S 23E	COUNTY: San Juan STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATUR	RE OF NOTICE, REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION
Approximate date work will start:  CASING REPAIR  CHANGE TO PREVIOUS PLANS  OPERA  CHANGE TUBING  PLUG A  SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion:  CHANGE WELL STATUS  PRODL	URE TREAT  SIDETRACK TO REPAIR WELL  DINSTRUCTION  TEMPORARILY ABANDON  TOR CHANGE  TUBING REPAIR  ND ABANDON  VENT OR FLARE
CONVERT WELL TYPE RECOM	PLETE - DIFFERENT FORMATION COMPletion
CrownQuest Operating, LLC is performing re-entry operations on the operations from 8/16/07 through 10/20/07 is attached.	
NAME (PLEASE PRINT) LUKE DUNN	ITLE Engineer
SIGNATURE	DATE 10/22/2007

(This space for State use only)

**RECEIVED** 

OCT 2 9 2007

# CrownQuest 9/26/07 thru 10/20/2007

## Spur #1-34

API #43-037-31832 Sec. 1, T37S, R23E, San Juan County, Utah

43.037.30973

## Sep 28, 2007 Friday

Held Safety meeting with Rig crew & Superior WS [NOTE: Prejob safety meeting.]

Test lines to 8000 psi. Break down formation 3% KCL wtr. Start pad, 5 min into pad, shut down. Re-start. Frac formation w/16,000 lbs 40/70 + 70,000 lbs 20/40 Ottowa in 65Q N2 slick water foam. ISIP of 3,550 psi, Rig up flow line and manifold. Turn over to flow-back crew

## Sep 29, 2007 Saturday

Held Safety meeting with flow back crew. Have BOP drill with new hand. Continue to flowback and monitoring well head pressure on 1/8 choke. Check flow back report.

# Oct 1, 2007 Monday

Continue to flow well on 1/2 choke. Rig down Stinger Isolation tool. Rig up Blue Jet Wireline. Run gauge ring to 6238'. POOH. Run in hole with 10k composite Bridge plug set @ 6229'. Setting tool set plug, but did not shear off. Try to work free, could not work free. Pull out of rope socket. Pull out of hole with wireline, re-head wireline. Order fishing tool from Knight. Wait on tools. Caliper fishing tools. PU and make up tools. Start in hole w/ tools and 2-7/8" N-80 tbg. Secure well, SDFN.

# Oct 2, 2007 Tuesday

Held safety meeting w/rig crew and service rig. Bleed down casing. TIH with 4-11/16" overshot w/3-1/8" grapple, tag fill @ 6193'. Pick up power swivel and tie back drilling line. Roll the hole with 3% KCL, 133 bbls. Clean out sand to top of fish @ 6229'. Engage fish @ 6219. Would not engage grapple no success. TOH, no fish. TIH, load with 2" grapple in overshot. Tie back drill line. Pick up 2 jts, tag 20 ft of fill on top of fish. Pick up power swivel break circulate with water clean out 20' of sand. Engage fish @ 6219'. Pull 75k to pull free. Circulate for 30 min. Hang swivel back, trip out of hole w/190 jts 2-7/8" N-80 and 3-3/4" bumper sub, overshot with setting tool. Lay down tools and setting tool.

### Oct 3, 2007 Wednesday

Held safety meeting w/rig crew and service rig.

RU Stinger, RU Superior, Test csg 4550 PSI, bleed off 50 PSI in 4 min. Isolate pump w/valve, test to 4550 PSI, same, bleed off. RD Stinger, TIH w/mill, bit sub, float, tag fill @ 6192', (BP @ 6229'). CO to BP @ 6229', recovered some heavy sang, circ clean. Pull 20 stands. Secure well &

## Oct 4, 2007 Thursday

250 PSI CSG, 0 PSI TBG.

TIH w/ tbg. Tag NO fill. Begin circulating, drill out bridge plug, heavy kick when cut top of plug. Circulate out oil and sand in returns. When sand stopped, returned circulation to pit. Clean out to PBTD at 6331'. Circulate hole until negligible sand. Pull 20 stands. Secure well, SDFN. Attached seals to valves on flowback tanks (BLM requirement) due to oil recovery. Pull 300 bbls from reserve pit to accommodate rain.

### Oct 5, 2007 Friday

Held safety meeting wirig crew and service rig. Blow well down. TIH. Tag 15' sand. TOH. Well kicked during entire TOH, pull mill hot. SI. RU slick line and Protechnics. Run tracer log. Shut-in well. Secure location, SD for weekend.

## Oct 8, 2007 Monday

RU BlueJet, set composite bp @ 6225'. Hit restrictions 2400' TO 6225', gas or paraffin. RU Stinger and Superior WS. Pump 70 bbls to catch pressure. No test, pressure fell 80 psi in 5 minutes. Determined valves on pump truck were leaking. Perforate 6170' - 6208', 2 jspf, .41" diameter, 12 gm charge. Secure well, SDFN.

Oct 9, 2007 Tuesday

Safety meeting, start equipment. 750 PSI CSG

CONFIDENTIAL

Prepare to frac – shut down frac due to Superior N2 transport accident before arrival at location. insufficient n2 to conduct frac. Ensured driver and passenger of transport ok. Diver life-flighted & passenger transported by ambulance, both treated and released.

# Oct 10, 2007 Wednesday

Safety meeting, start equipment.

WO additional N2 transport. Finish RU Superior WS, Stinger, and ProTechnics. Pressure test lines to 8000 psi. Breakdown perforations with 3% KCL water Frac with 18,000 lbs 40/70 and 85,000 lbs 20/40 in 65Q slick water N2 foam. ISIP - 3450 psi, RU Schlumberger WL. Set composite bridge plug. Secure well, SDFN.

# Oct 11, 2007 Thursday

Hold Safety meeting, start equipment. SICP - 2300 psi (probable N2 pressure from Stage 2). Blow down. RU Stinger, test cbp to 4500 psi. RD Stinger, RU WL. Perforate: 5854-5866', 5690-5700', 5628-5655',5575-5587', 1 jspf. RD WL. RU Superior WS. Finish loading sand and N2. Pressure test lines to 8000 psi. Load casing w/ 3% KCL water. Frac w/ 45,000# sand & 60Q N2 foam fluid. ISIP 4920 psi. Shut in. Secure well & SDFN

# Oct 12, 2007 Friday

Held safety meeting, start equipment. 2300 PSI CSG.

rih blue-jet, set cbp@5500', bwd, test plug to 4540 psi surf., 0k, 32 bbls KCL H20 to test. Perf 48 .41 perfs 5390'-5402', 4 spf. MIRU Superior. test lines 7500 psi, ok Frac well w/ 55,000# sand and 65Q N2 & screen out on flush - ISIP 8100.

# Oct 15, 2007 Monday

Held safety meeting, start equipment. RU flow equipment. Flow well making foam w/no sand.

# Oct 16, 2007 Tuesday

Held safety meeting, start equipment.

165 psi csg, BW, Talley in hole with mill & 82 stds tbg, tag fill @ 5303', 197' fill; 87' perfs covered Begin to clean out w/H2O. CO to 5368', making some heavy sand, pull 60 stands. Secure well & SDFN.

# Oct 17, 2007 Wednesday

Held safety meeting & BOP drill.

RU N2 unit & unload well w/N2. Stage in hole to 5110' & unload w/ /N2. Heavy sand, CO sand. TIH, tag fill @ 5405'. PU power swivel. Break circ & clean sand w/N2 to composite plug @ 5500'. Start to drill composite plug @ 5500'. Manifold wash out. Shut N2 down, pulled 95' above perfs to 5232'. Rebuild manifold & open well up. Turn over to flow hands. Flow well through 3/8" choke w/650 psi.

# Oct 18, 2007 Thursday

SAFETY MEETING W/RIG CREW. SERVICE RIG. PICK UP POWER SWIVEL BREAK CIRCULATION W/ N2 @ 5341'. UNLOAD 25 BBLS OF FLUID; TIH; TAG COMPOSITE PLUG @ 5500'. FIN. DRILL PLUG; FELL 10'; TAG @ 5510'. CLEAN OUT SAND FROM 5510' - 5823'. PULL ABOVE PERFS; STOP @ 5232'. TURN OVER TO FLOW BACK HANDS.

## Oct 19, 2007 Friday

SAFETY meeting w/rig crew. service rig. TIH, Tag composite plug and sand @ 5825'. Pick up power swivel, break circulate with N2. Clean out with N2 5825' - 6022'. Tag plug @ 6022'. Making heavy sand at times. Run 5 BBLS sweeps every hour @ 6022. Clean up sand. Start drilling composite plug @ 6022. Pull above perfs stop @ 5232.Secure BOP ,Flow well. Turn over to flow back hands.

### Oct 20, 2007 Saturday

Safety meeting w/rig crew on lighting flare. TIH. Tag composite plug @ 6022'. Pick up power swivel, break circulation with N2. Drlg remaining composite plug @ 6022'. Drilled through, plug fell. PU jts with power swivel, tag composite plug @ 6225'. Break w/ N2. Unload well, blow well with N2Pull above perfs, stop @ 5232'. Secure 2-7/8" string and BOP. Turn over to flow back hands.



### STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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5. LEASE DESIGNATION AND SERIAL NUMBER:

MAGINEATIAL	UTU 85245
SUNDRY NOTICES AND REPORTS ON WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	7. UNIT OF CA AGREEMENT NAME: N/A
1. TYPE OF WELL OIL WELL GAS WELL OTHER	8. WELL NAME and NUMBER: Skyline Spur 1-34
2. NAME OF OPERATOR:	9. API NUMBER:
Crownquest Operating, LLC  3. ADDRESS OF OPERATOR: PHONE NUMBER:	4303730973  10. FIELD AND POOL, OR WILDCAT:
PO Box 2221 CITY Farmington STATE NM ZIP 87499 (505) 325-5750	Wildcat
4. LOCATION OF WELL	
FOOTAGES AT SURFACE: 767' FSL x 1864' FEL	COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 1 37S 23E	STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPO	ORT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
NOTICE OF INTENT	REPERFORATE CURRENT FORMATION
(Submit in Duplicate) ALTER CASING FRACTURE TREAT	SIDETRACK TO REPAIR WELL
Approximate date work will start: CASING REPAIR NEW CONSTRUCTION	TEMPORARILY ABANDON
CHANGE TO PREVIOUS PLANS OPERATOR CHANGE	TUBING REPAIR
CHANGE TUBING PLUG AND ABANDON	VENT OR FLARE
SUBSEQUENT REPORT (Submit Original Form Only)  CHANGE WELL NAME  PLUG BACK	WATER DISPOSAL
Date of work completion:  CHANGE WELL STATUS PRODUCTION (START/RESUME)	WATER SHUT-OFF
10/26/2007 COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE	✓ OTHER: Completion Reports
TO/20/2007 CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, voluments of the complete of the co	
Crownquest Operating has performed the included operations in the above referenced well operations from 10/22/2007 through 10/26/2007 are attached.	. A summary report of these
NAME (PLEASE PRINT) Luke Dunn TITLE Engineer	
SIGNATURE DATE 10/29/2007	
(This space for State use only)	

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

RECEIVED NOV 0 2 2007



# CrownQuest DAILY OPERATIONS REPORT

Spur #1-34

San Juan Co., UT

Zone: Field: Wildcat

### Oct 22, 2007

Held safety meeting w/rig crew. Servce rig. TIH, tag 6' of sand @ 6219'. PP power swivel. Break circulation w/N2. Clean out sand. Start drilling composite plug @ 6225'. Drilled top off. Unload 20 to 30 barrels of fluid pressure @1350'. Unplug choke put 9/16 choke. Continue to drill plug, plug fell through in 30 mins. Let well unload fluid. Pick up jts with power swivel., tag remaining plug @ 6278'. Continue to drill plug. Push plug to PBTD @ 6331'. Blow well with N2 & 12 bbls mist. sand slow down. lay down 4 jts with power swivel. Hang swivel and pull above perfs, stop @ 5232'. Secure string & BOP. Turn over to flow back hands.

### Oct 23, 2007

Held safety meeting w/rig crew. Rig service. TIH w/2-7/8" tbg, tag 25' of sand @ 6306'. PU swivel, break circ w /N2. CO sand w/N2 @ 6306' to PBTD @ 6331'. Blow w/N2, heavy fluid at times and sand. Lay down 4 jts w/power swivel. Hang power swivel. Start laying down 2-7/8" N-80 tubing. Leave kill string with 89 jts 2-7/8" in the hole. Secure BOP & work string. Turn over to flow back hands.

### Oct 24.

Held safety meeting w/ rig crew . Rig service. Rebuild choke's lines. Move choke manifold back 10', continue lay down 2-7/8" N-80 tubing. Shut well in. RU B&R Slickline and run in hole with sinker bars, tag 1' of sand. POOH. RU Pro Technics Division, run tracer log from 6300' to 5000'. Secure well and turn over to flow back hands.

# Oct 25, 2007

Safety meeting w /rig crew. Rig service. Pick up 2-7/8" expendable check, one joint, seat nipple. Start to pick up 2-7/8" tbg. Stage in hole; unload. Tag @ 6329', 2' of sand. Unload well with N2. Clean out sand to 6331'. Pull above perfs, stop @ 5318'. Secure well & turn over to flow back hands.

### Oct 26, 2007

Held safety meeting w/rig crew. Rig servce. TIH, tag 10' of sand @ 6321'. to unload again, exp check valve plugged. TOOH w/work string. Unload plug expendable check. Trip back in with new check to 3800' stop, pump 12 bbls, drop ball. Could not pump check off. Pump to 2500 lbs. Bypass N2, secure well. Turn over to flow back hands.

FORM 9

STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES

	DIVISION OF OIL, GAS AND MINING						5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 85245		
	SUNDRY	LS	6. IF IN	IDIAN, ALLOTTEE OR TRIBE NAME:					
Do	not use this form for proposals to drill ne drill horizontal la	ew well: terals.	s, significantly deepen existing wells below curn Use APPLICATION FOR PERMIT TO DRILL fo	ent bot	ttom-hole dep such proposa	oth, reenter plugged wells, or to als.	7. UNIT or CA AGREEMENT NAME:		
	YPE OF WELL OIL WELL		GAS WELL 🗹 OTHER _				I '	L NAME and NUMBER: line Spur 1-34	
2. N	AME OF OPERATOR:						9. API	NUMBER:	
	ownQuest Operating, Ll	_C.				Income MIMPER		3730973	
	DDRESS OF OPERATOR:  Box 2221  CITY	, Farr	mngton STATE NM ZIP	8740	01	PHONE NUMBER: (505) 327-5750		dcat	
	OCATION OF WELL OOTAGES AT SURFACE: 767' F	SL x	1864' FEL				COUNT	ry: San Juan	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 1 37S 24E							STATE	UTAH	
11.	CHECK APPF	ROP	RIATE BOXES TO INDICAT	EΝ	ATURE	OF NOTICE, REPO	RT, O	R OTHER DATA	
	TYPE OF SUBMISSION	Ī			Т	YPE OF ACTION			
	NOTICE OF INTENT		ACIDIZE		DEEPEN			REPERFORATE CURRENT FORMATION	
ш	(Submit in Duplicate)		ALTER CASING		FRACTURE	TREAT		SIDETRACK TO REPAIR WELL	
	Approximate date work will start:		CASING REPAIR		NEW CONS	STRUCTION		TEMPORARILY ABANDON	
			CHANGE TO PREVIOUS PLANS		OPERATO	R CHANGE		TUBING REPAIR	
_			CHANGE TUBING		PLUG AND	ABANDON		VENT OR FLARE	
<b>V</b>	SUBSEQUENT REPORT (Submit Original Form Only)		CHANGE WELL NAME		PLUG BAC	K	ᆜ	WATER DISPOSAL	
	Date of work completion:		CHANGE WELL STATUS			ON (START/RESUME)		WATER SHUT-OFF	
	9/26/2007		COMMINGLE PRODUCING FORMATIONS	님		FION OF WELL SITE	$\checkmark$	отнея: Re-entry and Completion	
		Щ	CONVERT WELL TYPE	<u> </u>		ETE - DIFFERENT FORMATION			
		LC is	ETED OPERATIONS. Clearly show all per performing re-entry operations of the second section of the second se			bove referenced wel	RE SEI	CEIVED P 2 8 2007	
NA	ME (PLEASE PRINT) Robert R.	Grif	fee		TIT	LE Operations Mana	ager		
SIG	SNATURE ROLL	<u>}                                    </u>	9		DA	9/27/2007			
			-						

(This space for State use only)

# CrownQuest

# DAILY OPERATIONS REPORT - (Selected Days)

Printed Sep 27, 2007 Page 1

**Spur # 1-34** San Juan Co., UT Property#: 870400-001

Zone: Pennsylvanian

Field: Wildcat

Re-Entry

Aug 16, 2007 Thursday (Day 1)

API #43-037-31832 Sec. 1, T37S, R23E, San Juan County, Utah

Contractor: HWS Rig #12

Held safety meeting with rig crew and service rig. Continue to rig up equipment. Nipple up 3000 psi BOP. Test blinds to 3000 lbs & hold 30 mins, good test. Test choke maniflod, each valve 30 min, held, good test. Test 9-5/8" casing 1500 lbs hold, good test. Test pipe rams, would not hold. Try again, would not hold. Called for new pipe rams from Weatherford. Rig up flow line. Get pipe racks ready to pick up 4-3/4" Drill Collars and 2-7/8"

Aug 17, 2007 Friday

(Day 2)

Held safety meeting with rig crew and service rig. Put new 2-7/8" pipe rams & test pipe rams to 3000 psi, hold 30 min, good test. RD Well Check. RU rig floor and all drilling equipment. Tally & caliper bit sub & 12 drill collars. Pick up 8-3/4" bit and bit sub, #12 4-3/4" DC's. Stop 373.26 B.H.A. Unload 2-7/8" drill ppe on pipe racks and tally. RU ck lines & pump lines. Secure well shut down.

Aug 20, 2007 Monday

(Day 3)

Held safety meeting with rig crew and service rig. Mix 150 barrels of mud. Start to pick up 2-7/8" drill pipe. Tag @ 2045', pick up power swivel and make up kelly cock valve on power swivel. Roll hole with 95 BW. Roll clean. Start to clean out fill from 2045' to 2080'. Pull up shut kelly valve. Secure well and shut down.

Aug 21, 2007 Tuesday

(Day 4)

Held safety meeting with rig crew and service rig. Work on reserve pit. Pull net off reserve pit. Began to clean out from 2080'. Tag hard cement @ 2144' to 2280'. Fell through @ 2280'. Pick up joints with power swivel to 2398', stop. Circulate heavy gas out, heavy gas kicks. Slowly tapered off. Lay down 12 joints with power swivel, stop string into 9-5/8" @ 2017', bottom of 9-5/8" casing @ 2198'. Start to mix mud, 52 vis 9.2 weight. Pump motor broke down. Call on mechanic, secured well & SDFN.

Aug 22, 2007 Wednesday

(Day 5)

Held safety meeting with rig crew and service rig. Work with Mechanic on main pump. Pull injector pump off main pump. R&J Power Equipment will rebuild injector pump. Rebuild pump in Farmington, NM. Continue to mix mud, Vis 52 weight 9.2. Mixed 450 bbls of mud. Secure well shut down.

Aug 23, 2007 Thursday

(Day 6)

Held safety meeting with rig crew and service rig. [NOTE NO GAS @ SURFACE @7:00 pm]. Work on rig and safety onspection. Condition mud.

Note: The mud pump repair should be completed by Saturday afternoon. Plan to resume re-entry operations on Monday. We have continued to mix mud and build volume.

Aug 24, 2007 Friday

(Day 7)

Held safety meeting with rig crew and service rig.

[NOTE NO GAS @ SURFACE @7:00pm]

Work on reserve pit to put flow tank in dirt pit from CrownQuest Operating.

Condition Mud. Vis 55, Weight 9.2, Water loss 20

Aug 27, 2007 Monday (Day 8)

Held safety meeting with rig crew and service rig. Work with mechanic on injector pump and fuel lines. Put secondary fuel pump on pump motor. Pick up 2-7/8" drill pipe with power swivel. Ream hole jts are picked up with power swivel. Tag @ 2400 ft. Roll old mud out, new mud in, 210 barrels of good mud. Clean out bridge w/power swivel. Moderate gas over shale shaker. Continue to pick up joints and ream hole w/power swivel. [NOTE GAS FROM 2400 FT TO 4200 FT.] Stop @ 3732' and circulate heavy shale and pick up drill pipe out of pipe basket. Tally pipe. Continue to pick up joints and ream hole with power swivel. Stop @ 4376' for the day. Circulate hole clean with good mud.

Aug 28, 2007 Tuesday (Day 9)

Held safety meeting with rig crew and service rig. Work on air line on main pump. Continue to pick up drill pipe and ream hole. Tag bridge @ 4492'. Clean out bridges @ 5224', 5415', 5447' and 5605'. Heavy gas over shale shaker from 4492 to 5680. Tag hard cement @ 5680'. Start to drill cement from 5680' to 5865'. [NOTE 12K on bit 1000lbs on pressure.] Circulate hole, heavy gas in mud and over shale shaker. Conditon mud [Only when circulate will gas come over shaker.] Turn over to flow back hands.

Aug 29, 2007 Wednesday (Day 10)

Held safety meeting with rig crew and service rig.

{NOTE Mix mud with flow back hands.Pump motor would not stay running, call on mechanic @ 10:00 PM in Farmington NM.]

Continue to circulate @ 5830'. Pump 160 bbls of good mud.

Vis 52 weight 10.1. [NOTE Return over shaker 9.5 weight. 90 vis]

Lay down joints with power swivel. Hang swivel back and pull into 9-5/8" casing. Tight spot @ 3320', dragging all the way into 9-5/8" casing. Bottom of 9 5/8 casing @ 2198. Stop BHA and string @ 2049'. Pick up power Swivel. Break circulate with main pump and clean out from 2049 to surface. Clean main pit and mix mud

Aug 30, 2007 Thursday (Day 11)

Mix mud 490 barrels Vis 55 weight 10.5 12% water loss.

Called on Weatherford and knight tools to order main pump. Called on pump equipment @ in Oklahoma to check on pump. Locate pump in Odessa TX from Knight tool. BHA and string @ 2048 in 9-5/8" casing. Secure

Aug 31, 2007 Friday (Day 12)

Mix mud 200 barrels, Vis 55 weight 10.5, 12% water loss

Check with Knight Tools on getting pump ready to take to location on Saturday.

Sep 1, 2007 Saturday (Day 13)

Brought Knight Tools' main pump from Farmington, NM to location. Rig up main pump and lines.

Sep 4, 2007 Tuesday (Day 14)

Held safety meeting w/rig crew. Sevice rig [NOTE NO GAS @SURFACE @8:30AM.]

Stir mud in rig pits and mud in frac tank. Mud ready to pump. Repair diesel tank on pump motor. Trip in hole tag bridge @ 4278'. Pick up swivel and roll old mud out put new mud in 312 barrels. Clean out bridge @4278 to 4304. Fall through circulate hole with good mud. Turn over to flow back hands to circulate through the night. Vis 50 weight 9.7 some gas over shaker.

Sep 5, 2007 Wednesday (Day 15)

Held safety meeting w/rig crew, sevice rig. Hang power swivel back. TIH tag bridge @ 4500'. Pick up power swivel and clean out bridge. Fall through, circulate for 30 min. Hang swivel back and TIH, tag fill @ 5200', work through.

Continue to trip in hole, tag hard bridge @ 5505'. Pick up power swivel roll 119 barrels of old mud out of pit. Put 119 barrels of new mud in hole. Circulate for 30 min. Clean out bridge @ 5500' and clean toward top of cement @ 5860'.

Start to drlg cement @ 5860', fall through @ 5885'. Pick up joints with power swivel toward cement. Tag cement plug @ 6018'. Start to drill hard cement @ 6018' - 6070'. Circulate over shaker and turn over to flow back hands.

[NOTE gas over shale shaker all day.]

Sep 6, 2007 Thursday (Day 16)

Held safety meeting w/rig crew. Service rig. Pick up 1 joint with power swivel . Start drilling cement @ 6070' to 6120'

Knight pump broke down. Main chain broke off pump. Started secondary pump, could only get 20 SPM 600 lbs pressure. Turbo out of pump motor. Circulate for 1-1/2 hours. Lay down 3 joints with power swivel. Trip out of hole with 62 stands pull into 9-5/8" casing stop @ 2049'. Flow back hands will mix mud. [NOTE gas over shale shaker all day.]

Sep 7, 2007 Friday

(Day 17)

Held safety meeting w/rig crew. Service rig. Wait on Mechanic to bring turbo for main pump. Clean up rig and do repairs. Replace turbo on main pump get motor running. Ready in the morning to trip in hole. Secure well

Sep 8, 2007 Saturday

(Day 18)

Held safety meeting w/rig crew. Service rig. Hang swivel back. Trip in hole, tag @ 6060'. Pick up swivel break circulate. Start to clean out fill to 6082'. Pump would only get 32 SPM @ 600LBS pressure. Circulate bottoms up. Circulate, clean and lay down 2 jts with power swivel. Work pipe up and down and rotate while working on pump motor. Cold only get 32 SPM 600lbs pressure. Continue to circulate with mud 55 vis 10.2 weight 12% water loss.

Wait on Superior Well Wervice to bring main pump. Rig up Superior pump and prime up. Start drilling @ 6120' to 6272'. Heavy gas in mud, lost prime in Superior pump. Mix Defoam-x to get gas out. Got prime back.

Sep 9, 2007 Sunday

(Day 19)

Held safety meeting w/rig crew. Service rig. [NOTE: Heavy gas over shale shaker 95 vis weight 10.2.] Continue to circulate and condition mud. Lay down 2 jts with power swivel. Hang swivel back.

[NOTE: Keep hole full when tripping out of hole.]

Trip out of hole with 8-3/4" bit. Stop @ 1257'. Secure well. Turn over to flowback hands.

[NOTE VIS 55 10.3 WEIGHT WATER LOSS 12%]

Sep 10, 2007 Monday

(Day 20)

Held safety meeting w/rig crew. Service rig. Continue to trip out of hole w/ 6 stands of 4.3/4 drill collars.Break down jars and bit. Lay down 4-3/4" jars and 8-3/4" bit. Rig up Halliburton to run logs. Run CSNG (Super Gamma), TD to surface. Run WSST TD-casing. [NOTE Tight spot @ 4500'.] Super Csng broke down. Pull out of hole replace with new one. Run in hole with new tool. Did not tag @ bad spot 4500', continue to log @ TD 6370'. Logging tool broke down. Rig down Halliburton. Trip in hole w/8-3/4" bit and jars, 12 drill collars, xover,

Sep 11, 2007 Tuesday

(Day 21)

Held safety meeting w/rig crew. Service rig. Hang swivel back. Trip out of hole with BHA and 2-7/8" drill pipe. Rig up Halliburton Run logs and start logging from TD @ 6370'. Clean out rig pits. Replace with new mud. Continue to log with Halliburton

Sep 12, 2007 Wednesday

(Day 22)

Held safety meeting w/rig crew.Service rig. Trip in hole with 8 3/4 bit jars and 12 drill collars 188 jts drill pipe. Tag no fill @ 6370'. Pick up power swivel and break circulate. Circulate hole clean and mix mud. Vis 58, weight 10.3, water loss 14%, PH 10.5 (NOTE 1-1/2 hour after circulate heavy gas @ 2:00 pm) Lay down 2 jts with power swivel. Hang swivel back. Start laying down 188 joints 2-7/8" drill pipe and #12 4 3/4 drill collars 4 3/4 Jar bumper sub bit sub 8 3/4 bit.

Sep 13, 2007 Thursday

(Day 23)

Held safety meeting w/rig crew. Service rig. Rig up Express Casing Crew equipment. Start to pick up 1 jt of 5-1/2" 17# casing and float shoe. Put float collars 1 jt up from float shoe. Run wiper cable 1 thru 32. Run centralizer every other one 30 total. Continue to pick up 5-1/2" casing. Stop, put rubber in rotation head & continue to pick up 5-1/2" casing, tag with 166 js @ TD 6370' - no fill. Condition mud to 48 vis weight 10.3 water loss 18%. Rig up Schlumberger to cement 5-1/2" casing. Held safety meeting and discuss cementing procedure. Test lines to 4000#, ok. Begin cementing 5-1/2" casing as follows: Pump 40 bbls CW100 chemical wash. Lead 335 sacks, followed with 770 sacks 12.5 LC without gasblok, follow with 800sxs 12.5lc with gasblok. Total slurry 580. Maximum rate 7.5. [NOTE While cementing reciprocate casing w/25' strokes.] Shutdown, wash pumps and lines. Drop plug and displacement 147 barrels. Bump plug @ 2000#, hold. Bleed off 1/2barrel. Bump plug again. Plug held. Clean up lines and equipment. Clean up rig pits with cement. Lift

Sep 19, 2007 Wednesday (Day 24)

Held safety meeting with crew. Service rig. NU 5000 psi BOPE. Unload 2 7/8" tubing and tally. Continue NU.

Sep 20, 2007 Thursday

(Day 25)

Held safety meeting with crew. Service rig. Pressure test BOPE. PU bit, bit sub and 2 7/8", N80 tubing. Unload and tally additional tubing.

Sep 21, 2007 Friday

(Day 26)

Held Safety meeting with Rig crew. Service rig.

Restrap 2 7/8 N-80 Tubing Rig up choke manifold.

Continue to rabbit tubing and pick up 92 jts 2-7/8 tbg. Tag with 195 jts @ 6331'.

Rig up main pump and lines. Roll the hole with 138 barrel 3% KCL fluid.

Work on flow back tank. Pull 30 stands of 2-7/8.

Secure well shut down

Sep 24, 2007 Monday

(Day 27)

Held Safety meeting with Rig crew. Service rig.

Rig up sandline run 2 7/8 brooch to seat nipple.

Rig up Blue Jet wireline.Run CBL and Gamma ray to surface.

Rerun CBL with 1500lbs on logs.CBL from 6331' to 5300'. Send logs to Farmington NM Crown Quest.

Rig up Superior Well Service to pressure test 5-1/2 casing.

Secure well shut. Pressure test in the morning.

Sep 25, 2007 Tuesday

(Day 28)

Current Perforations:6290', 6270', to 6250' to 6240'

5-1/2" 17# P110 Casing to 6370', Float Collar @ 6331'

Total joints 199 N-80 2 7/8. 6.5 WT

Safety meeting with Rig crew. Service rig. Prime Superior pump. Pressure test casing 4000lbs & hold 30 Printed Sep 27, 2007 Page 7min., good test. Rig up Blue Jet WL. Run perforating gun, shot two holes 6278'. Rig down Blue Jet WL. Rig up Superior pump into holes @ 6278' 1/4 of a barrel. Pressure up to 4300 lbs. Bleed down from 4300 lbs to 30 lbs in 30 sec. Try again 4300 lbs, bled down; could not get Injection rate. Monitor casing pressure - 30 min, 0 pressure. Rig up Blue Jet WL. Run perforating gun & shoot from 6240' to 6290', 3 runs. Rig down Blue Jet WL.

Perform injection test with 3% KCL for breakdown. Start Injection, pump 2 barrels @ 3683', breakdown formation. Increase rate to 6 bpm @3206'. Pump 50 barrels 3% KCL fluid. Record ISIP-2,804#, 5 min-2,699#, 10 min-2,659#, 15 min-2,628#, 30 min 2,552#, 90 min 2,176#, 120

Sep 26, 2007 Wednesday

(Day 29)

Held safety meeting with rig crew. Service rig. 750 psi SICP overnight. Bled down in 30 sec. with small amount of oil. Rig down WSI isolation tool. Rig up Stinger isolation tool. [NOTE: Need Stinger tools to be able to sting in and out of well bore.] Move in Superior Well Service nitrogen trucks. Shut down.

Superior loaded one sand bin with 20/40 sand on bottom and then placed 40/70 on top. Will have to re-load bin and haul new 40/70 sand. Frac delayed until Friday.

2. NAME OF OPERATOR:

VIALINEIAIIVE		OF UTAH ATURAL RESOURCES	FORM 9		
		, GAS AND MINING		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 85245	
SUNDRY	NOTICES AN	D REPORTS ON W	ELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for proposals to drill ne	ew wells, significantly deepen terals. Use APPLICATION Fo	existing wells below current bottom-hole OR PERMIT TO DRILL form for such pro	e depth, reenter plugged wells, or to	7. UNIT or CA AGREEMENT NAME:	
1. TYPE OF WELL OIL WELL	GAS WELL	✓ OTHER		8. WELL NAME and NUMBER: Skyline Spur 1-34	
2. NAME OF OPERATOR:  CrownQuest Operating, LL	_C			9. API NUMBER: 4303730973	
3. ADDRESS OF OPERATOR: P. O. Box 2221	Farmington	STATE NM ZIP 87401	PHONE NUMBER: (505) 327-5750	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 767' FS	SL x 1864' FEL	225		COUNTY: San Juan	
QTR/QTR, SECTION, TOWNSHIP, RANG	GE, MERIDIAN: SWSE	1 37W 243		STATE: UTAH	
11. CHECK APPR	ROPRIATE BOXE	S TO INDICATE NATU	RE OF NOTICE, REPO	ORT, OR OTHER DATA	
TYPE OF SUBMISSION			TYPE OF ACTION		
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11.	11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA							
	TYPE OF SUBMISSION TYPE OF ACTION							
$\overline{\Box}$	NOTICE OF INTENT	ACIDIZE	DEEPEN	REPERFORATE CURRENT FORMATION				
ш	(Submit in Duplicate)	ALTER CASING	FRACTURE TREAT	SIDETRACK TO REPAIR WELL				
	Approximate date work will start:	CASING REPAIR	NEW CONSTRUCTION	TEMPORARILY ABANDON				
		CHANGE TO PREVIOUS PLANS	OPERATOR CHANGE	TUBING REPAIR				
		CHANGE TUBING	PLUG AND ABANDON	VENT OR FLARE				
$\checkmark$	SUBSEQUENT REPORT	CHANGE WELL NAME	PLUG BACK	WATER DISPOSAL				
	(Submit Original Form Only)	CHANGE WELL STATUS	PRODUCTION (START/RESUME)	WATER SHUT-OFF				
	Date of work completion:	COMMINGLE PRODUCING FORMATIONS	RECLAMATION OF WELL SITE	✓ other: Re-entry &				
	11/27/2007	CONVERT WELL TYPE	RECOMPLETE - DIFFERENT FOR	MATION completion				

CrownQuest Operating, LLC is performing re-entry operations on the above-referenced well. A summary report of these operations from 11/20/07 through 11/27/07 is attached.

1 1 . D	Engineer
NAME (PLEASE PRINT)	Engineer
$\varphi$ $\gamma$ $\gamma$	DATE 12/7/2007
SIGNATURE	DATE 12/1/2001
	•

(This space for State use only)

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DEC 1 1 2007

<sup>12.</sup> DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

# CrownQuest Skyline Spur # 1-34 43-037-30973

Nov 20, 2007 Tuesday

Spot rig & raise derrick. RU equipment. Bleed down tubing & backside. RD well head tree. NU BOP & stripping head, RU floor & 2-7/8" equipment. Pull donut, PU 2-7/8" jts, tag @ 6089'. LD 26 jts 2-7/8" tbg. TOH w/182 jts of 2-7/8" tbg. Tally & caliper SN, perf sub, tubing anchor. TIH w/ BHA, 1 jt BP 2-7/8" tbg, 4' perf sub, SN, 10 jts 2-7/8", TAC,153 jts 2-7/8". ND BOP, set tbg anchor w/12k, pulled on tubing. Land tubing @ 5329.96'. RU rod equipment. RIH w/2.5 x1.5 x16' pump w/4' gas anchor, 142 3/4" N-54, pick up polished rod. Lock and seal w/rod-lock BOP & stuffing box.

Nov 26, 2007

Pull pump jack head off. Unseat pump, lay down one 7/8" rod down. Run 20 ft of 7/8" pony rods. Unseat pump, trip out of hole w/ rods. Break pump off rods, test pump, good test. Rig up swab equipment & RIH w/ swab equipment. POOH w/swab equipment. Nipple down well head tree. Pull donut and release tubing anchor. Set donut back in well head. Nipple up BOp and rig floor. Pull donut out and tally 26 jts 2-7/8 tbg. Pick up 2-7/8 tubing, tag @ 6136'. Pull above perfs, stop @ 5239'. Shut in tubing and flow back.

Nov 27, 2007

Clean up location. Get equipment ready to move. Final report.

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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES

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						PORT	· 🗀		FORM 8			
		5. LEASE DESIGNATION AND SERIAL NUMBER:										
	UTU 85245  6. IF INDIAN, ALLOTTEE OR TRIBE NAME											
	S. II MONNY RECOTTER ON THIS INCIDEN											
		7. UNIT or CA AGREEMENT NAME										
	8. WELL NAME and NUMBER: Skyline Spur 1-34											
	9. API NUMBER:											
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DIVISION OF OIL, GAS AND MINING										5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 85245								
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b. TYPE OF WORK:  NEW HORIZ. DEEP- RE- WELL M HORIZ. EN ENTRY RESVR. OTHER												E and NU e Spur						
	2. NAME OF OPERATOR: CrownQuest Operating, LLC												I 3 - MA		^>¬	- 300		
3. ADDRESS OF OP		ung, L								PHONE	NUMBER:					R WILDCA		110
P. O. Box 2221 CITY Farmington STATE NM ZIP 87499 (505) 325-5750										\	Vildca	at						
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25. TUBING RECOR														—т.		= T	540055	NET (140)
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26. PRODUCING IN	_ <del>-</del>	30						_		27. PERFO	RATION RECO	RD						
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28. ACID, FRACTUI	RE, TREATME	NT, CEME	NT SQU	EEZE, ET	C.		·				_							
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6170-6208 Frac w/ 18000# 40/70 sd + 85000# 20/40 sd w/N2																		
5575-5866																		
29. ENCLOSED AT										_			,			30. WEL	L STATUS:	
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CONFIDE.NT	A

INTERVAL A (As shown in item #26) 31. INITIAL PRODUCTION

\ \ \ \ \ \ \	TEST DATE:  1 1/27/2007				TEST PRODUCTION RATES: →	OIL – BBL:	gas – mcf: 26	WATER - BBL:	PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS. 290	CSG. PRESS. 400	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 3	GAS MCF: 26	WATER - BBL:	INTERVAL STATUS:
	<u> </u>		<u> </u>	INTE	RVAL B (As show	wn in item #26)				
DATE FIRST PRO	TE FIRST PRODUCED: TEST DATE:			HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:
· · · · · · · · · · · · · · · · · · ·	<u> </u>	<del>'</del>		INTE	RVAL C (As show	vn in Item #26)				
DATE FIRST PRO	ODUCED:	TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:
		•	<u> </u>	INTE	RVAL D (As show	wn in item #26)				
DATE FIRST PRO	TE FIRST PRODUCED: TEST DATE: HOURS TESTED:		:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:		
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS - MCF:	WATER BBL:	INTERVAL STATUS:
32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)										

33. SUMMARY OF POROUS ZONES (include Aquifers):

34. FORMATION (Log) MARKERS:

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Honaker Trails Ismay Desert Creek	4,853 6,068 6,278	6,069 6,278 6,346	Oil, gas, & brine water Oil, gas, & brine water Oil, gas, & brine water	Shinirump De Chelly Chinele Honaker Trails Upper Ismay Desert Creek	2,903 2,164 2,200 4,200 6,069 6,278

35. ADDITIONAL REMARKS (Include plugging procedure)

Additional items for #27 5390-5402 - Frac w/ 18111# 20/40 sd + N2

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.						
NAME (PLEASE PRINT) Luke Dunn	TITLE Engineer					
SIGNATURE	DATE 12/21/2007					

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

\* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

\*\* ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to:

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

801-359-3940 Fax:

### STATE OF UTAH

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING



FORM 9

	UTU 85245			
SUNDRY NOTICES AND REPORTS ON WEL	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
	N/A 7. UNIT or CA AGREEMENT NAME:			
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole de drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such propos	N/A			
1. TYPE OF WELL OIL WELL GAS WELL OTHER		8. WELL NAME and NUMBER:		
2. NAME OF OPERATOR:		Skyline Spur 1-34  9. API NUMBER:		
CrownQuest Operating		4303730973		
3. ADDRESS OF OPERATOR:	PHONE NUMBER:	10. FIELD AND POOL, OR WILDCAT:		
P.O. Box 2221 CITY Farmington STATE NM ZIP 87499  4. LOCATION OF WELL	(505) 325-5750	Wildcat		
FOOTAGES AT SURFACE: 767' FSL 1864"FEL		COUNTY: San Juan		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE 1 37S 23E		STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE	OF NOTICE, REPOR	RT, OR OTHER DATA		
	YPE OF ACTION			
NOTICE OF INTENT		REPERFORATE CURRENT FORMATION		
(Submit in Duplicate)		SIDETRACK TO REPAIR WELL		
	STRUCTION	TEMPORARILY ABANDON		
CHANGE TO PREVIOUS PLANS OPERATO		TUBING REPAIR		
	ABANDON	VENT OR FLARE		
(Submit Original Form Only)		WATER DISPOSAL		
Date of work completion:	ION (START/RESUME)	WATER SHUT-OFF		
	TION OF WELL SITE	OTHER:		
	ETE - DIFFERENT FORMATION			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details in Production was sent down the sales line on Skyline Spur 1-34 11/21/20 no oil.				
NAME (PLEASE PRINT) Luke Dunn	LE Engineer			
$\sqrt{h}$	1/7/2008			
SIGNATURE DA				

(This space for State use only)

RECEIVED JAN 0 9 2008

# PROPRIETARY-CONFIDENTIAL

# RECEIVED

MAR 2 1 2003

FORM 9

DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 5. LEASE DESIGNATION AND SERIAL NUMBER: DIV. OF OIL, GAS & MINING UTU 85245 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: SUNDRY NOTICES AND REPORTS ON WELLS 7. UNIT or CA AGREEMENT NAME: Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. 1. TYPE OF WELL 8. WELL NAME and NUMBER: GAS WELL 🗸 OIL WELL OTHER Skyline Spur 1-34 2. NAME OF OPERATOR: 9. API NUMBER: CrownQuest Operating, LLC 4303730973 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: P. O. Box 2221 STATE NM 7IP 87401 Wildcat Farmington (505) 327-5750 4. LOCATION OF WELL 770 1869 FOOTAGES AT SURFACE: 767' FSL x 1864' FEL COUNTY: San Juan QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSE STATE: **UTAH** CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 11. TYPE OF SUBMISSION TYPE OF ACTION ACIDIZE DEEPEN REPERFORATE CURRENT FORMATION NOTICE OF INTENT (Submit in Duplicate) ALTER CASING FRACTURE TREAT SIDETRACK TO REPAIR WELL Approximate date work will start: CASING REPAIR **NEW CONSTRUCTION** TEMPORARILY ABANDON CHANGE TO PREVIOUS PLANS OPERATOR CHANGE TUBING REPAIR CHANGE TUBING PLUG AND ABANDON VENT OR FLARE SUBSEQUENT REPORT WATER DISPOSAL CHANGE WELL NAME PLUG BACK (Submit Original Form Only) CHANGE WELL STATUS PRODUCTION (START/RESUME) WATER SHUT-OFF Date of work completion: COMMINGLE PRODUCING FORMATIONS RECLAMATION OF WELL SITE отнея: Water Shut Off 3/7/2008 CONVERT WELL TYPE RECOMPLETE - DIFFERENT FORMATION 12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. CrownQuest Operating, LLC is performing re-entry operations on the above-referenced well. A summary report of these operations from 1/18/2008 through 03/07/2008 is attached. Engineer Luke Dunn NAME (PLEASE PRINT 3/18/2008 DATE

(This space for State use only)

# Spur #1-34

CrownQuest Operating, LLC San Juan County, UT

### Jan 18, 2008 Friday

Move ramp & rig on location. Held safety meeting. Spot ramp & rig on location, it was too late to raise the derrick. SDFN.

### Jan 21, 2008 Monday

Pressure reading on csg - 390 psi and on tbg - 200 psi. Raise derrick & RU. RU flow line to New Flow back tank. New seal on tank #28072 & #28100. Bleed down backside & tbg. Rig equipment to pull rods. Unseat rod pump & TOH w/rods. Rig compressor broke down, new compressor will arrive in the morning. Continue to RU equipment, secure well & SDFN.

# Jan 22, 2008 Tuesday

Held safety meeting with rig crew. Csg pressure 250 psi, tbg pressure 65 psi. Bleed pressure down: Replace air compressor on rig. Continue to TOH with rods & pump. ND rod BOP, pull donut & release TA. NU BOP & rig floor. RU tbg equipment. TOOH w/J-55 tbg string, TA, set 4 jts out, had to rotate 4 jts out of hole. LD TA. Continue to TOH. LD perf sub & MA. Tally new string N-80 tbg. PU sawtooth & 2-7/8" N-80 work string. Stop @ 2648', 80 jts in hole.

### Jan 23, 2008 Wednesday

Held safety meeting w/rig crew. Continue to pick up 2-7/8" tbg. Unload well w/N2 @ 4500°. Tag up @ 6089°. PU 2.5 power swivel. Unload well w/ N2. Blow well on top of fish. Run 5 bbl/sweeps every 30 minutes. Clean out 12' of fill, top of fish @ 6101°. Blow well dry. Hang swivel & TOOH w/ N-80 tbg w /sawtooth. Break off sawtooth, found sand line inside, approx 2'. Tally and caliper all fishing tools. Turn light tower on & PU 4 3/4 rope spear, x-over, float sub, float valve, 3 - 3/4 bumper sub, 3- 3/4 jar & 4 3-1/2" drill collars, x-over to 2-7/8 EUE. TIH w/ robe spear to 4847', secure tubing.

### Jan 24, 2008 Thursday

Held safety meeting w/crew. TIH w/rope spear. Swivel up @ 6070', unload well w/ N2 to 6100'. Make connection & blow well w/N2 & 10-15 bbls mist. Pressure @ 800 psi @ 6101'. Work spear around sandline, made 9'. Pressure @ 1550#, work spear up 30', did not pull over. Rotate down to top of fish @ 6110', had some torque at times. N2 pressure 1600 psi. Pressure out, bypass N2. Hang swivel back, TOOH w/rope spear. No sandline recovered. Plug in rope spear -5/16" ID. Decision made to run 2nd rope spear w/ 1/2" ID on same BHA. TIH 165 jts 2-7/8" N-80 tbg to 5700'. Secured well, flow through separator & SDFN.

### Jan 25, 2008 Friday

Held safety meeting. Continue TIH w/rope spear. Tie back drlg line & PU swivel, unload well w/N2. Break circ & ease down tbg w/rope spear @ 6110', attempted to engage spear, worked sandtline to 6120'. No over pull, laydown 2 jts, hange swivel. TOOH & LD spear & bumpber sub. PU 4-1/2" shoe-dresed 4-3/4" washpipe ext. top bushing. TIH w/3-3/4" jar, 4 3-1/2" DC's, x-ver subs, 177 jts 2-7/8" tbg. PU 2.5 swivel & 1 single, beak circ w/N2, tag w/shoe @ 6120'. Made approximately 6", lost circ for 40 minutes, pulled up and let well unload. LD 1 jt, hang swivel, pull above perfs.

### Jan 26, 2008 Saturday

Held safety meeting. Csg pressure - 500 psi. Bleed down pressure & TIH to 6120'. PU swivel & unload well. Break circ w/6 bbls mist, got good circulation. Began to washover fish @ 6120' - 6140'. Pressured continued to come up. Made connection & check 2" line, bird nest of wire & sand in it, unplugged & clean out. Continue to washover from 6140' - 6149', could not make more hole w/4-3/4" shoe @ 6149'. Dry tubing up, hang swivel back, TOOH w/4-3/4" shoe. Break off shoe & ext. Pulled stripping head & put flow T on top of BOP. Install stripping head on top of flow T. Run two 2" lines to flow tank & prevent wire from plugging up flow line.

### Jan 27, 2008 Sunday

Held safety meeting. Csg pressure 500 psi. Bleed well down, finish building 2" line to flow tank. Make up new 4-3/4" shoe & ext. TIH w/shoe & BHA, tag @ 6149'. PU 2.5 swivel, break circ, unload well 8" - 10" bbls fluid. Begin to swash over @ 6149' w/ N2 & 10-12 mist, 5 bbl sweeps every 30 minutes. Pull up 30' & continue to circ, unplugged flowline, stop @ 6173'. Circ 40 minutes, clean up. Pulled above perfs, stop @ 5300'.

Jan 28, 2008 Monday

Held safety meetingw ith rig crew. Csg pressure 450 psi. Bleed well down, unplug flowline's heavy wire. TIH, PU swivel, break circ w/N2 & 12 mist. Tag @ 6173'. Began washover w/N2 & mist, stop @ 6210' & unplug flowline, heavy wire, medium sand. Continue to washover from 6210' - 6226'. Could not make more hole, blow well dry. LD 1 jt w/swivel. TOOH, stop @ 3200'. Had to get off location due to severe weather. SI & secured well, SDFN.

### Jan 29, 2008 Tuesday

Shut down due to severe winter weather. Snow drifts prevented access to county roads and location.

### Jan 30, 2008 Wednesday

SICP - 540 psi. Bleed down pressure. Ccont to TOH w/washover shoe and extension. Shoe and extension were packed full of swab line (18 to 20' estimate). Tally and caliper new shoe. TIH w//new 4-3/4" shoe & same BHA on 180 jts 2-7/8" tbg. Tag high @ 6196'. LD 1jt. PU swivel, break circ @ 6196' w/N2 & 10 - 12

bph mist. CO sand & swab line to 6226'. Wash over swab line & sand from 6226' - 6270'. Monitor returns. circ well clean w/ N/2 & 12' bbls of mist. LD 1 jt, hang swivel & pull above perfs to 5330'. Secure well, SDFN.

### Jan 31, 2008

CP 350#, bleed down well. TIH, no fill. PU swivel & break circ w/N2. Unload 25 bbls of fluid. Began to washover from 6170' - 6170.5', could not make more hole. Bucket checks 4' & 5' cups of sand, small amount of wire. Circ clean with N2 & 12 mist, trace of sand, no wire. LD 1 jt & hang swivel. TOH w/4-3/4" shoe, BHA, 182 jts 2-7/8" tbg. Break off shoe, retrieved approx 15' of sand line. TIH w/4-3/4" shoe & same BHA. Tag 5' sand, PU swivel & break circ with N2 & 12 mist. Clean out sand. Start to wash over @ 6270.5' - 6273'. Circ clean with N2 & 12 mist @ 6273'. Hang swivel. Pull above perfs, 13 stands, stop @ 5330'. Secure well & SDFN. Throughout the day, circulated medium amounts of wire cuttings and heavy amounts of sand.

### Feb 1, 2008

CP - 350 psi, bleed down well. TIH from top of perfs. Tag 4' of sand @ 6166', break circulation w/N/2 & 10 bbls mist. Clean out sand. Began to wash over @ 6271.5' to 6288'. Pressure up, taking wt, pull up, re-tag 7' high. LD 1 jt, hang swivel. TOH - small amount of sandline & 1 1/2" sinker bars recovered – 22'. LD sinker bars, inspect shoe-ok. Make up & TIH on same BHA. - RIH w/153 jts 2-7/8" tbg to @ 5300'. Secure well, SDFN. (note: Did not recover rope socket, jar, swab cups, and nogo. approx 4' of tool left in hole.)

### Feb 2, 2008

CP - 450 psi, bleed down well. TIH from 5300', tag @ 6284. Pick up swivel, break circ w/N/2 &12 mist. Began washover @ 6288'. Very hard to washover. Run 3 bbls sweeps every 40 minutes. Stop @ 6296.5'. Circulate 40 min, hang swivel back, TOH w/shoe and BHA,183 jts tbg. Break off shoe, recovered swab jars and ball of sandline (5' to 7' ft of line). TIH w/ 4-3/4" shoe and same BHA, 20 stds of tbg. Secure well, shut down. (Note: 80 bbls of fluid unloaded from flow back tank. New seal # 13411.) All perforations are open. Clean-out depth 6' below bottom perforation. Throughout the day, made heavy sand 5 to 7 cups of sand in bucket. Heavy wire, unpluged flowlines several times.

### Feb 5, 2008

SICP - 800ps. Bleed down well. Held safety meeting w/rig crew. service rig. TIH w/ 4-3/4" shoe, 3-7/8" ext, 3-3/4" jar, four 3-1/2" DC's,183 jts 2-7/8" tbg. Tag 7' of sand @ 6289.5'. Tie back drill line, pick up power swivel. Break circulation w /N2. Clean out sand w/ N2 and 12 bbls mist. Washover to 6299'. Run small sweeps, very slow washover. Laydown 1 jt, hang swivel. Pull up - tight. Place air back on hole, pull free, work pipe & let well clean up, monitoring sand. Bypass air, pull 15 stds to 5265'. Place air back on hole for 40 mins. Bypass air. Secure well, shut down for the day. Made 3' of rat hole, very slow. Throughout the day 1/4 to 1/2 cup of sand/5 gal bucket samples. Small amounts of wire. At end of day, heavy sand 6 to 7 cups of sand/5 gal bucket. Very fine sand, appears to be much finer than 20/40. Unload 80 bbls of fluid out of flow tank, old seal 13411, new seal 13416.

# Feb 6, 2008

CP - 450psi. Bleed down well. Held safety meeting w/rig crew. Service rig. Continue to TOH w/ 4-3/4" shoe. LD (4') drill collars, break down tools. Inspect shoe, approx 1' piece of swab jar, swab mandrel, rope socket recovered. Load out tools. TIH w/sawtooth collar, SN 1 jt up, string float, and 186 jts of 2-7/8" tbg. Tag 12' of sand. Pick up swivel. Break circulation w/ N2. Clean out sand w/ N/2 and 12 bbls mist. Blow well @ 6299', run 4 bbls sweeps every 40 mins. Monitor sand amounts every 30 mins. 4 to 5 cups of sand in 5 gallon bucket. Continue to run sweeps every 30 mins. LD jt w/ power swivel. Hang swivel, pull above perfs 15 stands. Stop @

Pressure reading csg 450 psi. Bleed down well. TIH, tag 8' of sand. Pick up swivel, break circulation w/ N/2 and 10 bbls of mist. Clean out sand w/ N/2 to 6299'. Blow well @ 6299' w/ N2 and 12 bbls mist. Run 6 - 8 bbls sweeps every 40 mins, hang swivel & pull above perfs, Secure well, shut down. (Monitor sand amts every 30 mins, from 10 am-4:30 pm - medium amount of sand in returns and & no wire)

### Feb 8, 2008

TIH & tag 4' of sand. Pick up swivel, break circ w/ N/2 & 10 bbls of mist. Clean out sand w/ /N/2 to 6299'. Blow @ 6299' w/ N2 & 12 bbls mist. Run 8' - 10' bbls sweeps every 30 minutes, hang swivel, pull above perfs. Secure well, shut down.

Monitor sand amounts every 30 minutes from 9:00 AM - 2:00 PM, had 3' - 2' cups of sand, no wire. When running 8 - 10' bbl sweeps, rotate & reciprocate each time.

### Feb 11, 2008

Get pressure reading CSG 800#, bleed well down. TIH, tag 2' of sand, pick up power swivel. Break circ w/ N2, clean out 2' of sand w/ N2 & 12 bbls mist. Run 5 bbls sweeps every 30 mins. Low sand @ 12:30 PM. LD 1' jt w/ swivel & hang swivel. TOOH w/ 187 jts & sawtooth collar tally & caliper AS1 packer & on/off tool. pick up 1 JT 2-7/8" tbg, x-over, on/off tool, 5-1/2" A.S #1 packer on bottom of packer, 4' perf sub, 4' pup jt, & bull plug. TIH w/178 jts N-80 TBG. Set packer @ 5992'. EOT @ 6002'. Shut tbg in & csg.

### Feb 12, 2008

Pressure reading csg 320# tbg 340#, bleed down tbg. RU swab equipment, make swab runs, secure well & shut down.

#### Feb 13, 2008

Pressure reading csg 400#, tbg 420#, bleed down tbg. Pick up on tbg, open bypass and release 5-1/2" packer, equalize packer. pull up the hole & set pkr @ 5790'. RU swab equipment, make swab. Secure well & flow through separator. Shut down.

#### Feb 14, 2008

Pressure reading csg 320# tbg 320#. Valve shut on separator & didn't flow overnight. Bleed down tbg & backside make swab run tag fluid @ 4800', swab to SN @ 5992'. Recovered 6.9 bbls. flowing 10 - 15 psi. RD swab equipment, release packer @ 5790' equalize, TOOH w/packer. Break off on/off tool. Inspect packer. Tally & caliper RBP. TIH w/5-1/2" RBP 5-1/2" as1 packer. Set RPB @ 5790', pull up 15', set packer. Test RBP to 1000#, 15 min good test. Make swab runs, swab dry. Release 5-1/2" packer. Pull up to 5664' set packer. Make swab run.

### Feb 15, 2008

Pressure reading csg 240#, tbg 20#, not enough pressure to flow overnight. Bleed down tbg & backside. Rig up swab equipment. Make swab run, tag fluid @ 4600', swab from SN @ 5663'. 6.1 bbls of fluid, density 9.1. Check pressure on tbg 3 psi. LD swab equipment. Release packer @ 5663' & equlize. TIH, tag top of RBP 2' high. Could not release RBP @ 5790'. TOH w/ 5-1/2" Arrowset Packer, lay down 5-1/2" packer, inspect packer, ok. TIH w/ ret head & 172 jts 2-7/8" tbg. PU swivel, break circ w/N/2 & 12 mist. Latch on RPB @ 5790' & release plug. Circ bottom's up. Hang swivel back, pull up to 5664', 168 jts. Set RBP. TOH w/ ret head &lay down. Make up same 5-1/2" packer & ret head. TIH, stop, top of perfs @ 5167'.

### Feb 20, 2008

Csg 850#, tbg 740#. Bleed down tbg & backside slowly. TIH from top of perfs. Tag sand @ 5616', perfs @ 5628-55', RBP @ 5664'. TOOH w/ 5.5 pkr. LD pkr & ret head. TIH w/ 2-7/8" sawtooth, SN 1 jt up, 167 jts 2-7/8' tbg. PU swivel, unload well w/N/2. Clean out sand w/N2 & 12 bbl mist to top of RBP @ 5664'. Hang swivel back, pull above perfs, stop @ 5200'. Flow well for 1 hour through flow back tank.

### Feb 21, 2008

Csg psi tbg 85 psi & flowing 5 MCFPD. Bleed down tbg & backside slowly. TOOH w/ sawtooth. TIH w/5.5 pkr & ret head. Tag, no fill. Set pkr @ 5660'. Pressure test RBP @ 5664' to 1500#, good test. RU swab equipment. Swab tbg dry & release packer @ 5660'. Pull up hole, set @ 5623' w/167 jts. Make swab runs & monitor & record tbg pressure.

#### Feb 22, 2008

Csg 340 psi tbg 110psi. Bleed down tbg slowly. Make swab runs, swab well dry. Turn over to separator & build line pressure. Flow well through separator for 1 hr. Bleed down tbg w/110# csg, could not release pkr. Could open bypass. PU power swivel, pump N2 w/6 bbls mist. Work bypass open, release 5.5 pkr. PU one jt, tag fill 3' above RBP. Release RBP, move up

1 jt, set @ 5620'. TOOH w/ 5.5 pkr, lay down pkr. Tally & caliper new pkr. Make up tools. TIH w/ same on/off tool & new 5.5 pkr. TIH 25 stds. Turn over to separator. Build line pressure. Flow through separator & test perfs.

### Feb 25, 2008

Pressure reading csg 110 psi, tbg 115 psi. Bleed down tbg & csg slowly. Continue TIH w/ 5.5 pkr. set pkr @ 5600'. Prs tested RBP 5620' to 1000#, good test held 15 mins. Swab tbg dry, lay down equip. Rel pkr @ 5600'. Pull up hole to 5554' w/165 jts. Set pkr @ 5554'. Pick up swab equip & make swab runs. Build line pressure, turn over to separator for the night. Feb 26. 2008

Csg 110 psi tbg 115 psi. Bleed down tbg & csg slowly. Continue to make swab runs. Tag fluid @ 4500', build up line pressure. Turn over to separator.

### Feb 27, 2008

Csg 90 psi, tbg 110 psi. Bleed down tbg & csg slowly. Make swab runs. Tag fluid @ 5100'. Pull from 5548 SN, 2.4 bbls of fluid, density 8.7. RD swab equipment. Release packer @ 5554'. TIH, tag 2' of sand on top of RBP 5620'. Clean out sand, latch on RBP @ 5620' move up hole set @ 5550'. Pull packer up to 5542' & set. Pressure test RBP, would not hold pressure. Release pkr, TIH, tag 2' of fill on BP @ 5550'. Pick up swivel, break circ w/ N/2, clean out RBP @ 5550'. Latch onto BP @5550'. Release plug and continue to circulate w/ N/2 and 12 bbls mist. Get bucket, check 4-3 cups of frac sand. Circulate for 1-1/2 hours, clean up sand, hang swivel back. TOOH w /5.5 packer and RBP @ 5550'. Secure well, shut down.

#### Feb 28, 2008

Pressure reading csg 340 psi. Bleed down csg slowly. TIH w/ 5.5 packer & BP. Set 5.5 RBP @ 5500'. Pull up 10' test RBP @ 5500', pump 31 bbls 3% KCL fluid. Pressure test @1000' psi, hold 15 min. Pick up swab equipment, swab dry, lay down swab equipment. Hard time releasing packer. Sand around tools, had to j off packer and clean sand off of packer, j off packer and clean up around tool. Latch onto packer w/ on/off tool. Release packer, move up hole to 5350'. Could not set, pick up swivel break circ w/ N2 and 12 bbl mist. Clean packer up, set @ 5350' w/159 jt 2 7/8" N-80. Rig up swab equipment. Began to make swab runs. Secure well, shut down (note packer & bridge plug hard to set, sand moving around tools).

### Feb 29, 2008

Csg 0 psi, tbg 80 psi. Pressure on tbg too low to run through separator. Bleed down tbg, make swab run. Swab from SN @ 5342'. Tbg dry, pump 15 bbls 3% KCL down tbg. Pick up swab equipment. Make 3 swab runs, recovered 15 bbls of fluid. Tbg dry & lay down swab equipment. Release 5-1/2" packer @ 5350'. TIH, tag 7' of sand on top of BP. Pick up swivel, break circ w/N/2 & 12 mist. Clean out sand & circulate for 1 hour. Latch onto RBP @ 5550' & release plug. Hang swivel back. Found no water zones or thief zones.

### Mar 3, 2008

Yesterday's volume 41.0561, today 48.576. flowing rate 41.2677. Bleed down csg. RU Wireline. Run perforating guns from 5772-5780', 5808-5821' w/4 spf. POOH w/ guns, RD Wireline. RU stripping head. Tally & caliper BP. Pick up RBP, TIH & tally in the hole, set RBP @ 5848'. TOOH w/ret head. Break off ret head. TIH w/ full bore Arrowset Pcr id 2.441. Set packer 3' above BP @ 5848'. Load tbg w/34 bbl KCL fluid. Pressure test RBP @ 5848' to 1500#, hold for 15 mins, good test. Release packer @ 5845'. Pull above perfs, stop @ 5300'. Secure well & SI.

### mar 4, 2008

Tbg 210#, csg 110#. Bleed down slowly. TIH, lay down 7 jts. Land tbg w/177 jts 1 10' ft pup @ 5737'. RD 5000#, BOP & rig floor. RU wellhead tree & Superior equip. Pressure test lines 5000#, good test. Load tbg w/3% KCL, began break down, start acid, start spacer. Had a leak on wellhead go to flush. When 5 bbls of acid hit top of perfs from 5772'-80', 5808-21' pressure went from 4000# to 0#. Average rate 3.5, avg pressure 4000#, max rate 4.2, max pressure 4600#. Flush volume 36, Shut well in RD Superior equipment. Open well up on a vacuum. RD wellhead valve. NU BOP. Pull donut, release pkr. Pick up 4 jts 2-7/8" tbg. Tag RBP. Pull up 2' & retest BP. Test to 1000#, good test. Release packer, TOOH w/pkr. Break off on/off toof & pkr. TIH w/ret head stop @ 3800'.

### Mar 5, 2008

Tbg 85#, csg 90#, bleed down slowly. Continue to TIH, tag 3' sand on top of RBP @ 5850'. PU swivel & break circ w/ N/2 & 12 bbls mist. Latch onto RBP @ 5850'. Release BP, pull up 3', would not come up hole. Pull off BP w/ret head. Circ for 30 mins, bypass air & pump 25 bbls of water. Latch back onto RBP, pull free. Hang swivel back, TOOH w/ RBP. Break down tools. tally new 2-7/8" jts. PU 2-7/8" jts w/ bull plug, 4' perf sub, SN id 2.288, 37 jts & TA remaining. Tbg in derrick. Stop @ top of perfs.

### Mar 6, 2008

Tbg 85#, csg 90#, bleed down slowly. Continue to TIH w/MA & TA. Land tbg @ 6171'. RD tbg equip & rig floor. ND 5000# BOP &flow T stripping head. Pull donut, set TAr @ 5013'. Land donut. RU BOP to casing head. RU rod equipment. RIH w/ 2.5 x1.5x16 pump w/ 4' gas anchor, 4 1-1/4" sinker bar, #167 3/4" rods, had a hard time running rods. Rods wedged in finger. Change over to 7/8" rods. Run 2 6' pony rods & 1 4' pony rod. Tag SN @ 6134', perf sub @ 6135'. PU polished rod, stuffing box. Pressure test tbg to 500#, good test. RU horsehead on pumpjack. Run light tag on pump. Could not start pump jack. RD rig & lower derrick.

Mar 7, 2008 Clean up all trash on location. Road rig to out. Sundry Number: 76934 API Well Number: 43037309730000

	STATE OF UTAH			FORM 9			
	DEPARTMENT OF NATURAL RESOU DIVISION OF OIL, GAS, AND N		i	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-24614			
SUNDR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:						
Do not use this form for procurrent bottom-hole depth, FOR PERMIT TO DRILL form	posals to drill new wells, significant reenter plugged wells, or to drill hori n for such proposals.	ly deep zontal l	en existing wells below aterals. Use APPLICATION	7.UNIT or CA AGREEMENT NAME:			
1. TYPE OF WELL Gas Well				8. WELL NAME and NUMBER: SKYLINE SPUR 1-34			
2. NAME OF OPERATOR: CROWNQUEST OPERATING,	LLC			9. API NUMBER: 43037309730000			
3. ADDRESS OF OPERATOR: 303 Veterans Airpark Ln St	e 5100 , Midland, TX, 79705	РНО	NE NUMBER: 432 818-0300 Ext	9. FIELD and POOL or WILDCAT: ALKALI POINT			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0767 FSL 1864 FEL				COUNTY: SAN JUAN			
QTR/QTR, SECTION, TOWNSH	<b>HP, RANGE, MERIDIAN:</b> 11 Township: 37.0S Range: 23.0E Me	ridian: S	6	STATE: UTAH			
11. CHEC	K APPROPRIATE BOXES TO INDIC	ATE N	ATURE OF NOTICE, REPOR	T, OR OTHER DATA			
TYPE OF SUBMISSION			TYPE OF ACTION				
	ACIDIZE		LITER CASING	CASING REPAIR			
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS		HANGE TUBING	CHANGE WELL NAME			
11/21/2016	CHANGE WELL STATUS		OMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE			
SUBSEQUENT REPORT	DEEPEN		RACTURE TREAT	☐ NEW CONSTRUCTION			
Date of Work Completion:	OPERATOR CHANGE		LUG AND ABANDON	PLUG BACK			
	PRODUCTION START OR RESUME		ECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION			
SPUD REPORT Date of Spud:							
Date of Spud.	REPERFORATE CURRENT FORMATION		IDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON			
	L TUBING REPAIR		ENT OR FLARE	☐ WATER DISPOSAL			
DRILLING REPORT Report Date:	WATER SHUTOFF	∟ s	I TA STATUS EXTENSION	APD EXTENSION			
	WILDCAT WELL DETERMINATION	✓ (	THER	OTHER:			
	COMPLETED OPERATIONS. Clearly sho	-	_	Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY December 23, 2016			
NAME (PLEASE PRINT) Jeremy Divine	PHONE NUI	MBER	TITLE Foreman				
	432 557-6778						
SIGNATURE N/A			<b>DATE</b> 12/13/2016				